UNIVERSITY OF MINNESOTA | EXTENSION

EXTENSION CENTER FOR COMMUNITY VITALITY

Voyage Forward Retail Market Analysis

BASED ON RESIDENT, SECOND HOMEOWNER AND BUSINESS OWNER SURVEYS AND BUSINESS MIX ANALYSIS

By Ryan Pesch, Extension Educator
and John Bennett, Extension Educator

IN PARTNERSHIP WITH: ARROWHEAD REGIONAL DEVELOPMENT COMMISSION AND VOYAGE FORWARD

Voyage Forward Market Area Profile

BASED ON RESIDENT, SECOND HOMEOWNER, AND BUSINESS OWNER SURVEYS AND BUSINESS MIX ANALYSIS

December, 2015

By Ryan Pesch, Extension Educator
And John Bennett, Extension Educator

This project was funded by: The U.S. Economic Development Administration, Chicago Regional Office, under investment #06-69-05895, and the City of International Falls and Koochiching County.

Project partners:

Voyage Forward Business Development Team
Arrowhead Regional Development Commission
Northspan

Table of Contents

RECOMMENDATIONS 1
BACKGROUND 1
Study Area 2
Study Area Demographics 2
METHODOLOGY 4
RETAIL OVERVIEW 5
Comparison with Competing Retail Centers 6
Expected Sales 7
BUSINESS OWNER PERSPECTIVES 9
CUSTOMER PERSPECTIVES 13
Local Resident Respondent Demographics 13
Local Resident Respondent Shopping Habits and Spending 15
Seasonal Resident Perspectives 18
Current Use of Second Home 19
Future Plans for Second Home 21
Seasonal Resident Community Engagement and Attachment 23
Views on Local Development and Future Issues 24
Seasonal Resident Spending 26
Competing Shopping Centers 29
Recommendations for Business Types 30
Dining Preferences and Habits 32
Recommendations for Improvement of Shopping Districts 33
Canadian Customer Insights 34
BUSINESS MIX ANALYSIS 36

APPENDIX 1: US RESIDENT MARKET PROFILE
APPENDIX 2: CANADIAN RESIDENT MARKET PROFILE
APPENDIX 3: SEASONAL GEOGRAPHIC SUMMARY
APPENDIX 4: BUSINESS MIX ANALYSIS
APPENDIX 5: US LOCAL RESIDENT SURVEY INSTRUMENT
APPENDIX 6: CANADIAN LOCAL RESIDENT SURVEY INSTRUMENT
APPENDIX 7: SECOND HOMEOWNER SURVEY INSTRUMENT
APPENDIX 8: BUSINESS OWNER SURVEY INSTRUMENT

RECOMMENDATIONS

Viewing the results of the study from multiple data sources and types of customers, we find evidence of demand for three types of store format on which to focus business development and recruitment activities:

1. *General merchandise:* Sales tax and business mix analysis show a gap in general merchandise and the local resident survey clearly shows the demand. The primary store category residents are patronizing in other communities is general merchandise, Wal-mart and Target in particular. When asked, 69% of survey respondents reported a discount department store as being needed. Even 13% of business owners, many of whose businesses may potentially be impacted, suggested big box retail as a type of business they would like to see in the community. It should be noted that numerous residents suggested a fleet supply store format specifically, a type of general merchandise store geared towards needs of rural consumers.

2. *Clothing*: Besides general merchandise, clothing is the next highest demanded store type. Customers are shopping at clothing stores frequently when in other communities according to the resident survey. Also sales tax data clearly demonstrate that the community is losing clothing sales to other cities as the actual clothing sales lag far behind the expected sales for a community the size of International Falls.

3. *Tourism Attraction:* Although not in high demand among local residents, the business community ranked a tourism attraction or tourism-based business second after industrial development, recognizing the importance of the visitor dollar to the community. Surprisingly, business owners report over 40% of their sales coming from tourists or seasonal residents. Even among local residents, a number thoughtfully suggested in open comments that the community ought to build on its strength with visitors, focusing retail development on types of businesses which would be appreciated by locals and visitors alike. Some suggestions included a waterfront casino with restaurant and sporting goods stores which provide gear for outdoor recreation and meet the recreational vehicle needs of locals.

BACKGROUND

In spring, 2015 Voyage Forward and the Arrowhead Regional Development Commission asked University of Minnesota Extension Center for Community Vitality to assemble a project proposal for retail analysis work for the International Falls area, including Fort Frances, Ontario and a small portion of St. Louis County.

Extension, with the help of a local retail study group to guide the research, gathered information from multiple surveys from primary customer groups and business owners and secondary data sources to gain insights about the current marketplace (see methodology for details):

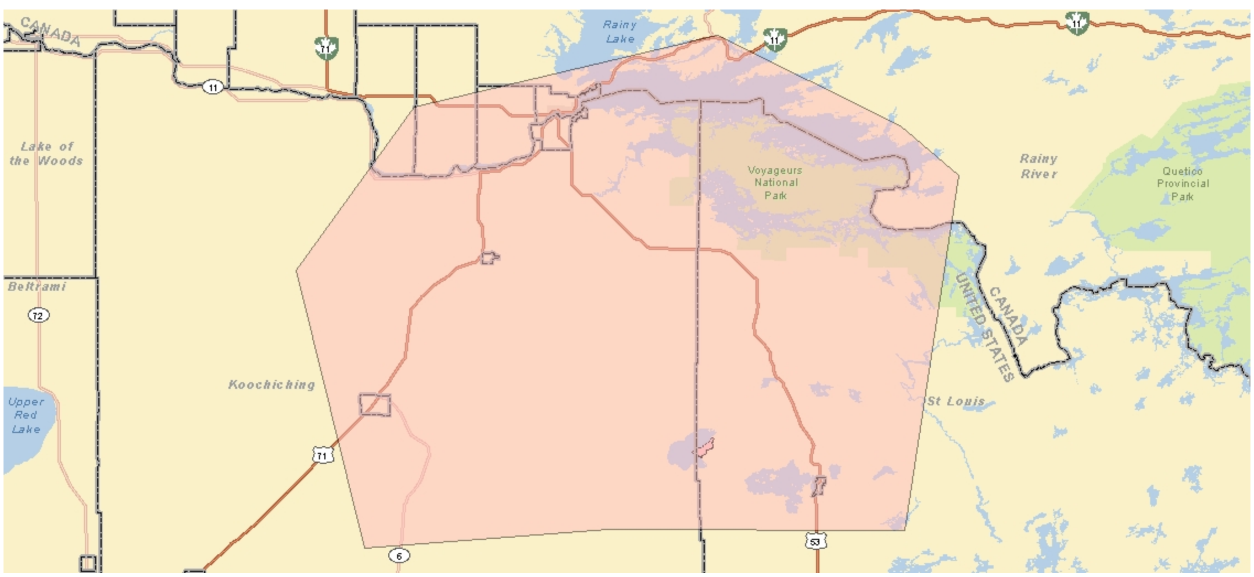
1. Local resident survey
2. Second homeowner survey
3. Business owner survey
4. Retail business mix analysis

The University of Minnesota Extension created the Market Area Profile (MAP) program to assist Minnesota communities to develop their retail and service sectors. The authors intend existing businesses, potential businesses, and economic development organizations to use the information in this report to better serve their market and develop individual business and main street strategies.

STUDY AREA

The study area was determined by a local study group and Extension, and includes Fort Frances, Ontario, Koochiching County, and a small portion of St. Louis County. Extension generated all reports and analysis in this publication based on this study area and used the same area for secondary data analysis and survey collection (see Figure 1). For example, we drew our sample of households for the resident survey from this area. The local retail study group identified the study area through their knowledge of the local business environment and the pulling power of the communities being studied. The area represents the geography from which we would expect businesses to most likely pull a majority of their local customers.

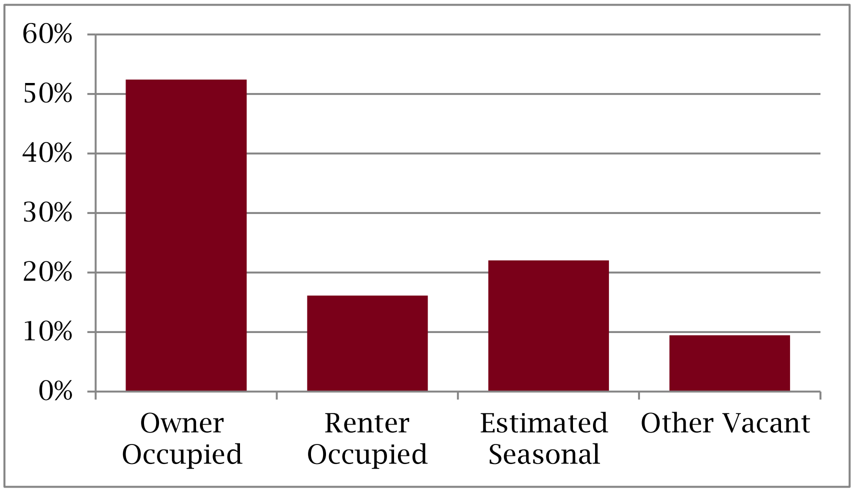
Figure 1: Study area (shaded in pink)



Study Area Demographics

The study area includes nearly 23,000 local residents (including US and Canada) who live in over 10,000 households (see Appendices 1 and 2 for full reports of study area demographics). US median household income and median home value stand at almost $44,563 and $118,779 respectively.

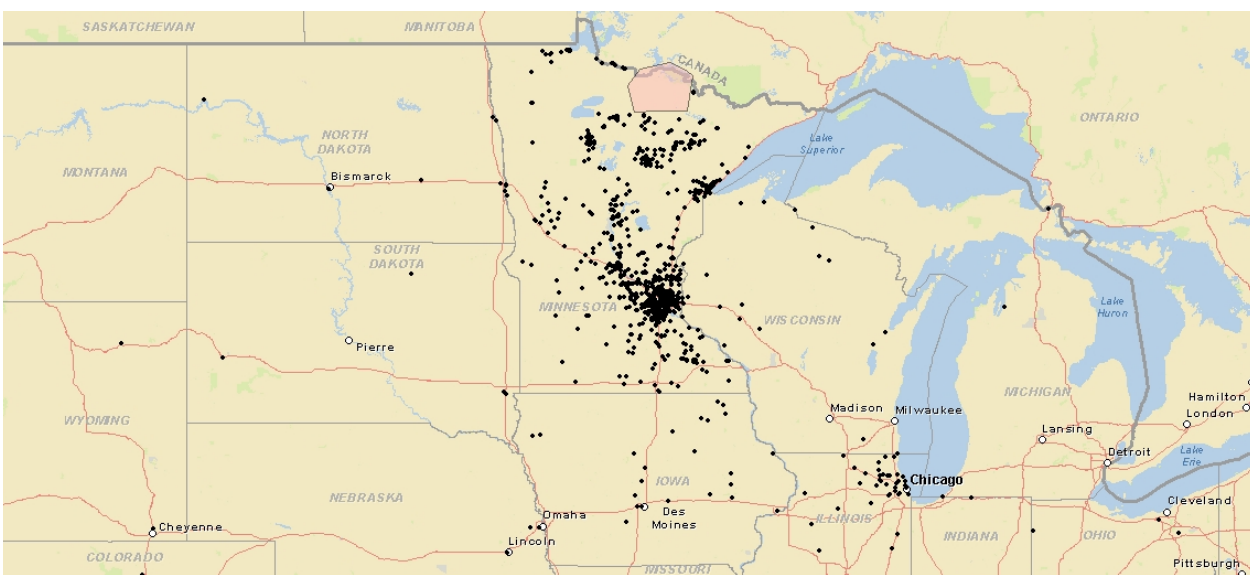
Figure 2: Percentage of housing units in study area by type (Census)



Second homeowners are an important part of the local customer base as evidenced by the number of second or seasonal homes in the local study area (see Figure 2). The US portion of the study area includes 8,641 housing units, of which an estimated 1,905 or 22% are seasonal or second homes (Census, estimated by Extension based on 70% of vacant housing units in Koochiching County being seasonal). Extension received 1,657 property tax records for homes in the seasonal recreation classification in the study area from Koochiching (1,322 records) and St. Louis Counties (335 non-homestead records with building value). To create a mailing list of second homeowners in the study area, we first removed Koochiching records with less than $25,000 in building value and also removed over 220 second homes with building value which are owned by locals residents who live permanently in the study area.

Seasonal residents primarily come from Minnesota (76 %), although there are a sizable number of residents from other states in the Upper Midwest (see Appendix 3 and Figure 3).

Figure 3: Home location of 1,066 seasonal residents who own property in study area



METHODOLOGY

Resident Survey

In summer 2015, Extension mailed a four-page survey instrument (see Appendices 5 and 6) to a randomly selected sample of 1,000 households located in the study area. Extension mailed 800 surveys to local residents on the U.S. side of the border, and 200 to local residents in Fort Fances, Ontario. We acquired mailing addresses from property tax records from Koochiching County, St. Louis County, and the Canada Post. All households received a cover letter explaining the project with the survey instrument. We sent a postcard one week prior to the initial mailing asking for participation, and a separate postcard one week after the survey was delivered as a reminder. We received 192 responses for a 19 percent response rate.

Second Homeowner Survey

In summer 2015, Extension mailed a survey (see Appendix 7) to the home mailing adddress of 1,066 households who own a second home in the study area to learn about their second home use, local purchasing habits, and views on local development. The sample for the mailing was drawn from Koochiching and St. Louis County property tax records with some building value, specifically those in the seasonal recreational property classification. For Koochiching County parcels, we targeted only those with a building value greater than $25,000 (increasing the chance of contacting an owner with a second home instead of a parcel with bare ground or open lot). In St. Louis County only parcels with a building value and non-homesteaded were available. Extension also removed all residents of the study area who also own seasonal properties in the study area since they are not seasonal, but year-round residents who own seasonal property (see Appendix 3 for full summary of home locations for seasonal residents).

We followed the same survey data collection process as the resident survey, sending a pre-survey postcard, followed by a survey with cover letter, and, lastly, a reminder postcard one-week after survey delivery. We received 229 responses for a 21 percent response rate.

Business Owner Survey

In fall 2015 Extension mailed a two-page survey instrument (Appendix 8) to all 249 businesses and organizations operating within the study area and located within the US (according to Dun and Bradstreet database), following the same survey procedure as the resident and second homeowner survey. The purpose of the survey was to get insights about market opportunities and areas for improvement from those currently doing business in the study area, that is, those who know the local marketplace well. We received 75 responses for a 32 percent response rate.

Business Mix Analysis

The business mix analysis works by comparing the number and type of businesses in one community with the number and type of businesses in a similar-sized community (full table is found in Appendix 4). Extension used ESRI's Business Analyst to create a business mix for all communities between 5,000 and 9,999 in population. In this instance, we applied the findings from this statewide research to the City of International Falls, since the data is organized by city and International Falls is the population center of the study area.

RETAIL OVERVIEW

Table 1 below presents gross and taxable retail and services sales for International Falls from 1990 through 2013. Without inflation adjustments, taxable sales in International Falls increased 6 percent from 2006 to 2013, while the number of firms fell 15.8 percent. Statewide, taxable sales increased 8.7 percent over the same time period and the number of firms grew 1.4 percent. The per capita sales and pull factor data in this table are based on taxable sales, a verified sales measure.

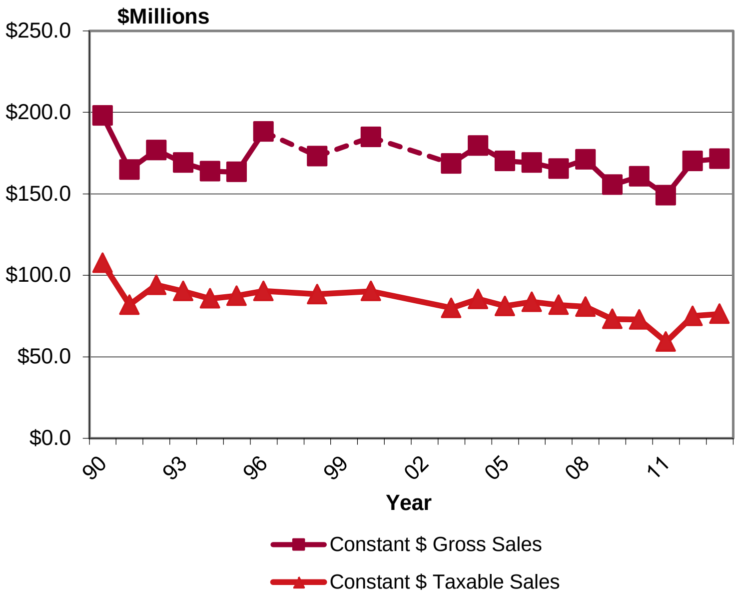
Table 1: Change in retail measures from 1990-2003 based on state sales tax data, MN Department of Revenue, 2015

		Current Dollars		Constant 2013 Dollars				
Year	Estimated Pop.	Gross Sales* ($millions)	Taxable Sales ($millions)	Gross Sales* ($millions)	Taxable Sales ($millions)	No. of Firms	Per Capita Sales	Pull Factor
1990	8,543	$110.81	$60.21	$197.87	$107.52	273	$7,048	1.60
1995	7,729	$106.20	$56.83	$163.38	$87.44	269	$7,353	1.29
2000	6,703	$136.69	$66.78	$184.72	$90.25	278	$9,963	1.31
2003	6,454	$131.49	$62.37	$168.58	$79.97	201	$9,664	1.08
2004	6,338	$143.59	$68.37	$179.49	$85.47	196	$10,788	1.17
2005	6,289	$141.17	$67.32	$170.09	$81.11	202	$10,705	1.12
2006	6,170	$145.33	$71.95	$168.99	$83.66	196	$11,661	1.21
2007	6,006	$145.47	$72.00	$165.31	$81.82	185	$11,989	1.23
2008	5,905	$157.27	$74.23	$170.95	$80.68	198	$12,571	1.32
2009	5,839	$141.52	$66.58	$155.51	$73.17	183	$11,403	1.27
2010	6,424	$149.30	$67.76	$160.54	$72.86	162	$10,547	1.17
2011	6,394	$144.60	$57.45	$149.07	$59.23	165	$8,985	0.96
2012	6,396	$168.30	$74.25	$170.00	$75.00	166	$11,610	1.20
2013	6,400	$171.47	$76.26	$171.47	$76.26	165	$11,915	1.38
7 yr Change '06 to '13	3.7%	18.0%	6.0%	1.5%	-8.9%	-15.8%	2.2%	13.9%
3 yr Change '10 to '13	-0.4%	14.8%	12.5%	6.8%	4.7%	1.9%	13.0%	18.3%

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

The table also presents sales data in constant 2013 dollars. These figures have been adjusted for inflation to reflect their value in 2013. For example, in 1990, taxable sales in International Falls

Figure 4: Total gross and taxable sales from 1990-2013, MN Department of Revenue, 2015



totaled $60.21 million, an amount worth $107.52 million in 2013 dollars. In constant dollars, gross sales grew 1.5 percent between 2006 and 2013. Constant dollar taxable sales decreased 8.9 percent over the same time period (see Figure 4).

Comparison with competing trade centers

Information about competing trade centers can provide a useful means of comparison when assessing a community's retail trade sector. Comparison towns were selected based on geographic proximity, relative size and availability of data. Some caution is warranted in the interpretation of these comparisons however, since retail sales data is provided for only a limited number of towns and cities.

Figure 5: Gross retail and service sales (millions), MN Department of Revenue, 2015

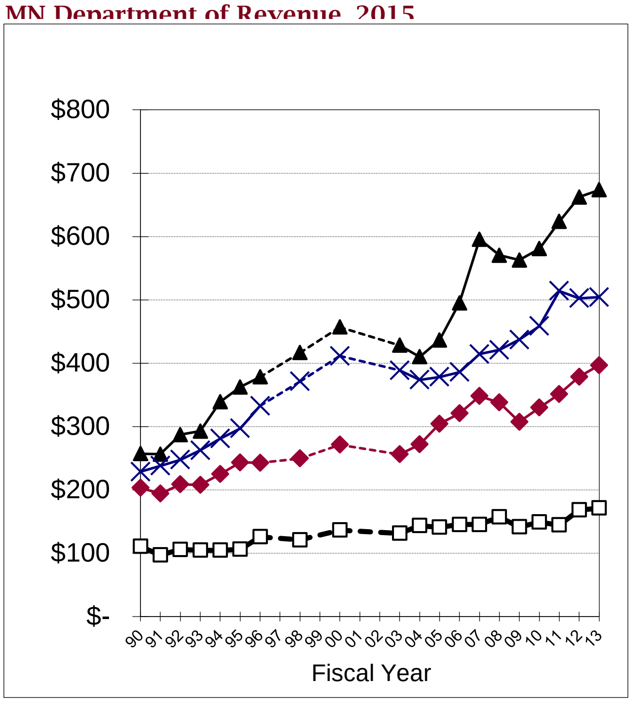
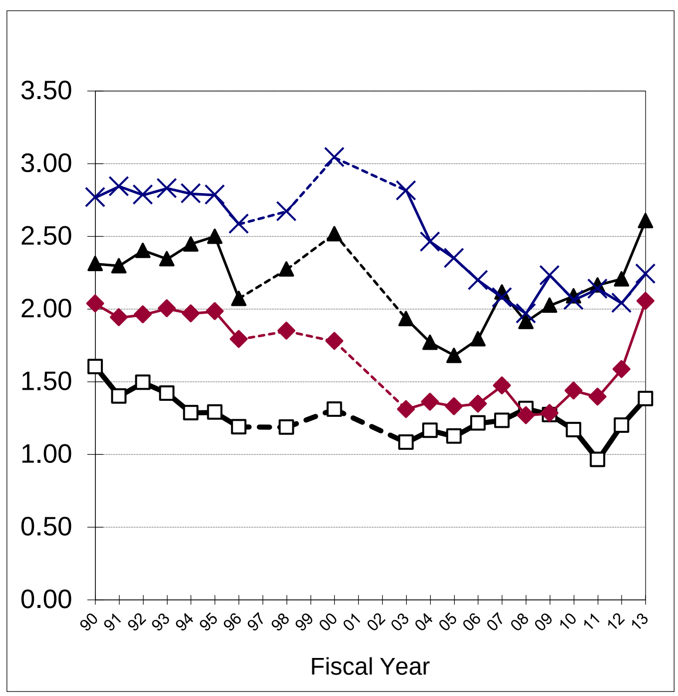


Figure 6: Pull factors



Expected Sales for International Falls

Table 2 provides information on retail sales by selected merchandise categories. "Expected sales" is a standard to which actual performance is compared. In calculating expected sales, population, income, and typical "pulling power" characteristics are taken into account. Expected sales can be used as a guideline or "par value" in analyzing retail strength.

Table 2: Expected vs. actual sales based on 2013 sales tax data, MN Department of Revenue, 2015

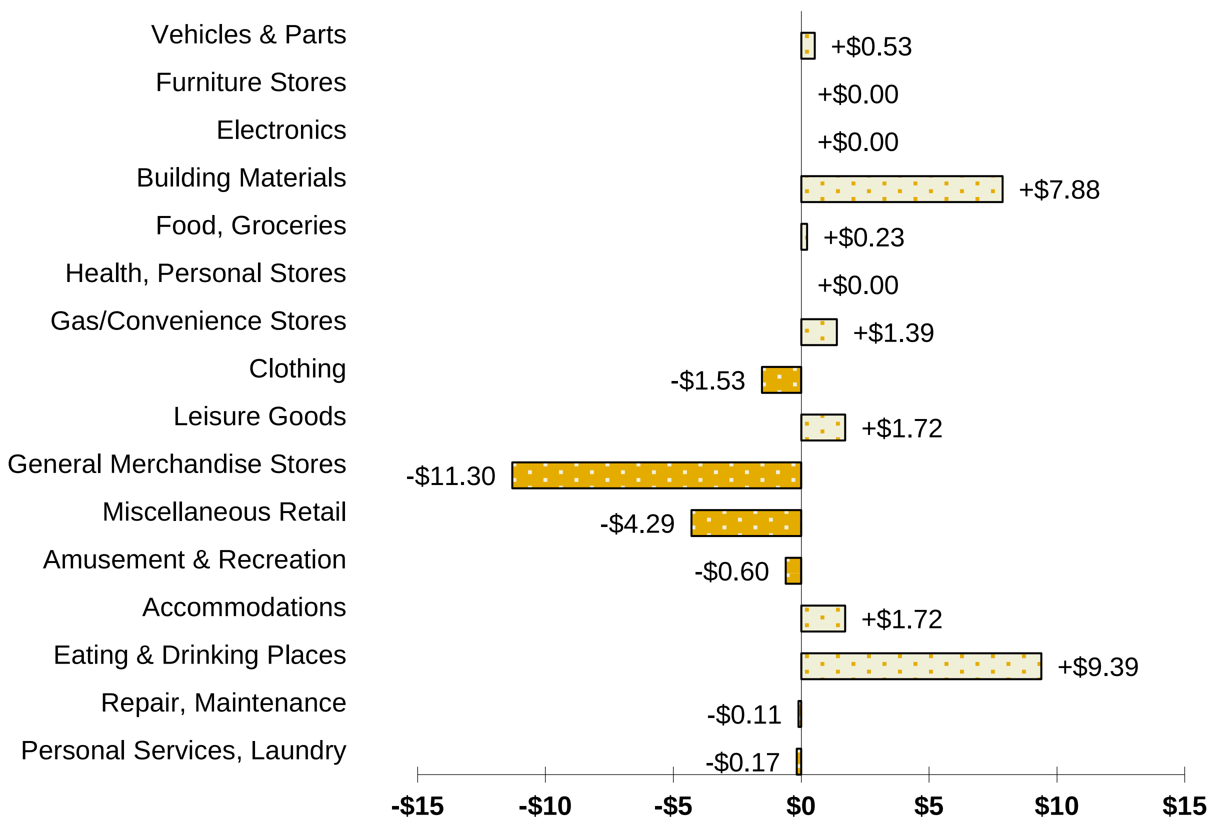
Merchandise Group	Expected Sales ($millions)	Actual Sales ($millions)	Variance Between Actual & Expected				
			In Dollars (millions)	As % of Expected	Trade Area Pop. Gain or Loss	No. of Firms	% of Total Sales
Vehicles & Parts	$3.26	$3.78	+$0.53	+16.1%	1,033	6	5.0%
Furniture Stores	$2.99	NA	NA	NA	NA	NA	NA
Electronics	$1.56	NA	NA	NA	NA	NA	NA
Building Materials	$14.53	$22.41	+$7.88	+54.2%	3,469	4	29.4%
Food, Groceries	$5.76	$5.99	+$0.23	+4.0%	255	5	7.9%
Health, Personal Stores	$0.62	NA	NA	NA	NA	NA	NA
Gas/Convenience Stores	$1.43	$2.83	+$1.39	+97.2%	6,219	6	3.7%
Clothing	$1.92	$0.38	-$1.53	-80.0%	-5,121	5	0.5%
Leisure Goods	$0.44	$2.16	+$1.72	+389.1%	24,905	8	2.8%
General Merchandise Stores	$23.24	$11.94	-$11.30	-48.6%	-3,112	6	15.7%
Miscellaneous Retail	$7.38	$3.09	-$4.29	-58.2%	-3,722	22	4.0%
Amusement & Recreation	$0.94	$0.33	-$0.60	-64.5%	-4,131	4	0.4%
Accommodations	$1.77	$3.49	+$1.72	+96.9%	6,203	10	4.6%
Eating & Drinking Places	$6.38	$15.77	+$9.39	+147.1%	9,416	21	20.7%
Repair, Maintenance	$1.48	$1.37	-$0.11	-7.2%	-458	14	1.8%
Personal Services, Laundry	$0.30	$0.12	-$0.17	-58.5%	-3,743	14	0.2%
Total Taxable Retail & Service*	$38.01	$76.26	+$38.25	+100.6%	6,440	165	100.0%

*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.
Store categories with NA indicates that the data is not available for privacy reasons due to too few stores in that NAICS code for the given trade area analyzed.

Of the 13 merchandise categories with reported data, sales in 7 of the categories were above what would be expected based on the performance in similar-sized Minnesota cities. The strongest merchandise group by this standard is the Eating & Drinking Places category, which has a $9.4 million surplus. Overall, International Falls had a retail sales surplus of $38 million in 2013 (see Table 2).

It is important to note that variations in a city's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular city to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

Figure 7: Millions of dollars above or below expected sales based on 2013 sales tax data, MN Department of Revenue, 2015

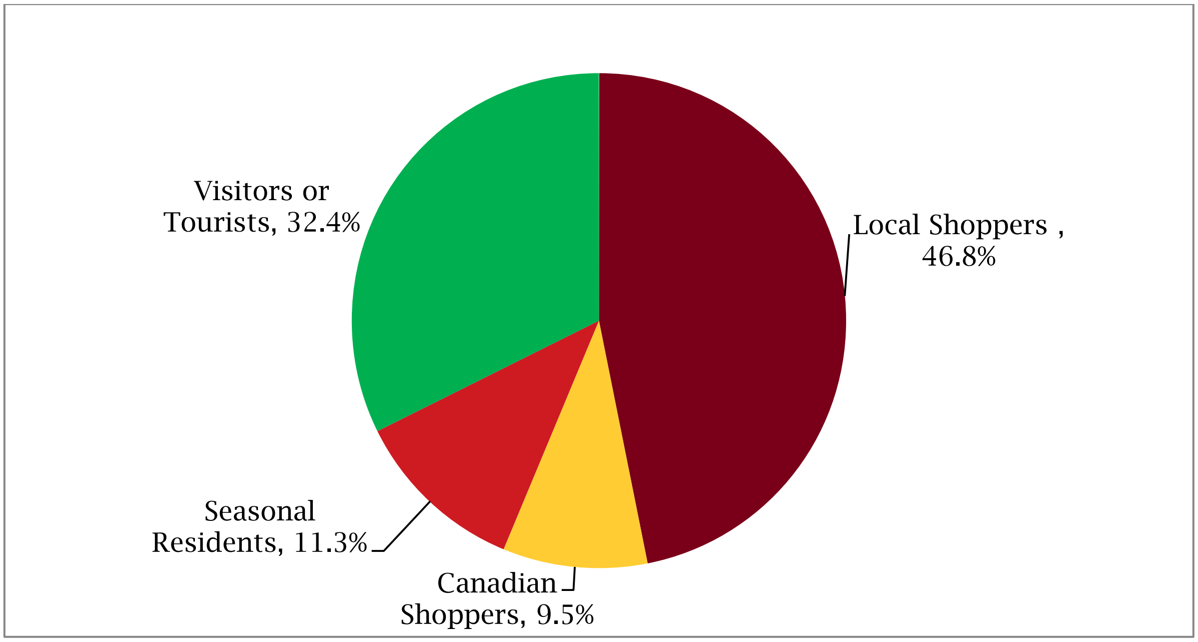


BUSINESS OWNER PERSPECTIVES

Our survey received responses from seventy five businesses in International Falls, Big Falls, Gheen, Littlefork, Orr, Ranier, and Ray. The sample accounts for almost one-third of all businesses operating in the area.

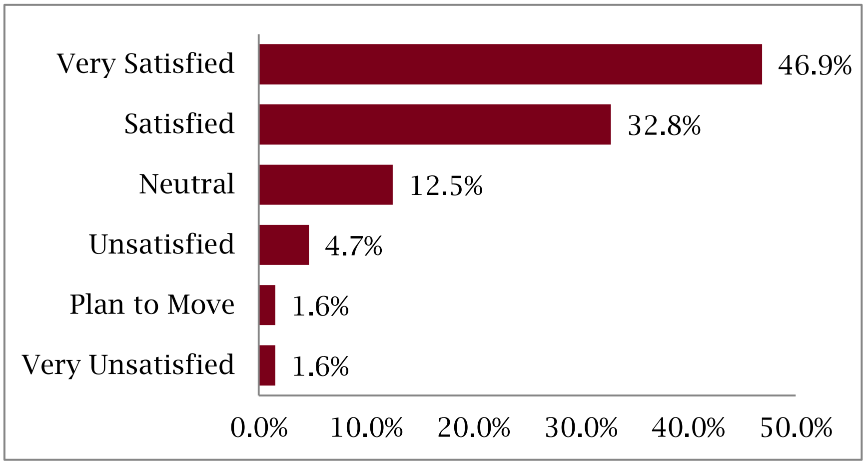
These businesses serve a customer base that is a mix between local shoppers (47 percent), Canadian shoppers (10 percent), and seasonal residents and tourists (44 percent).

Figure 8: Location of business owners' customer base (n=75)



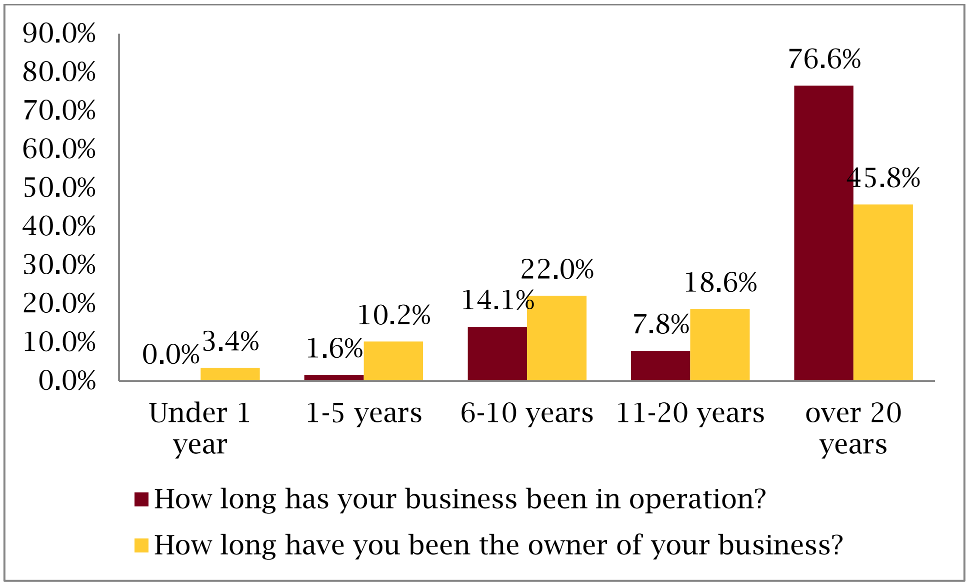
The majority of the business owner respondents are either satisfied or very satisfied with their current location as a place to do business. Five businesses stated that they were unsatisfied, very unsatisfied, or plan to move for reasons such as poor road access, old building infrastructure and no room for planned expansion (see Figure 9).

Figure 9: Satisfaction with business location (n=64)



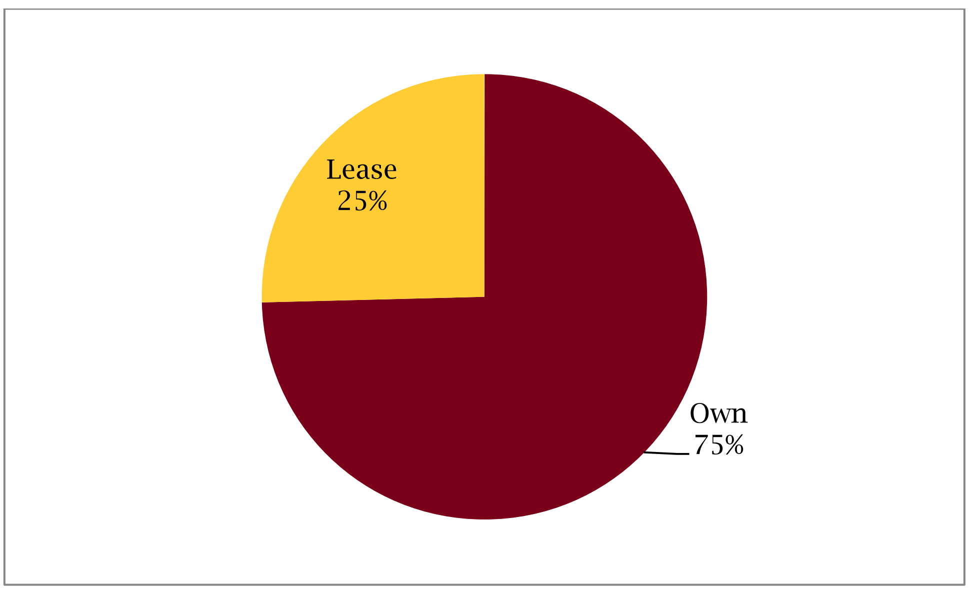
Over three quarters of the businesses that responded to the survey have been in business for over 20 years. Interestingly, only one business responded to the survey that has been in operation for five years or less. About two-thirds of the respondents have been the owner of their business for 10 years or more (see Figure 10).

Figure 10: Business in operation and length of ownership (n=64)



Three quarters (75 percent) of the survey respondents own the space in which they are located (see Figure 11).

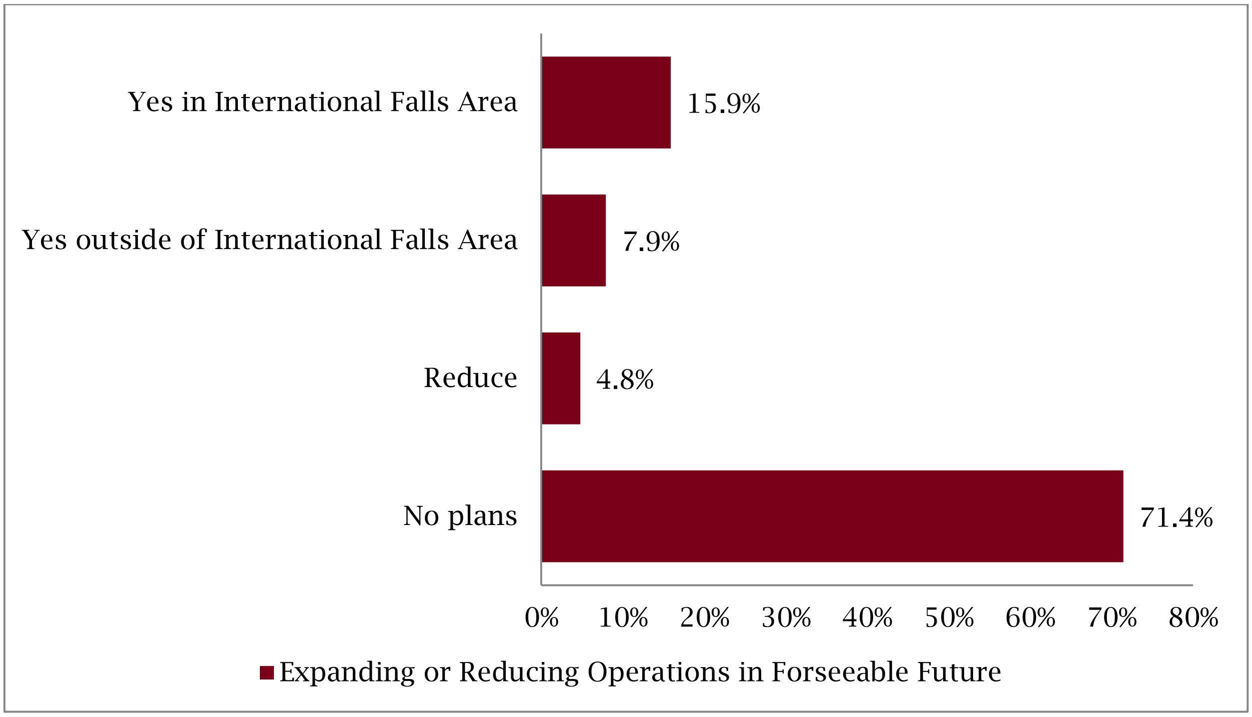
Figure 11: Own or lease (n=63)



Respondents also shared their plans for business expansion or reduction in the foreseeable future. While 71 percent have no plans to expand or reduce operations, 16 percent indicated that they plan to expand in the International Falls area, while 8 percent plan to expand outside of the International Falls area. Just under 5 percent (3 businesses) plan to reduce products, services, or square footage of their business footprint (see Figure 12).

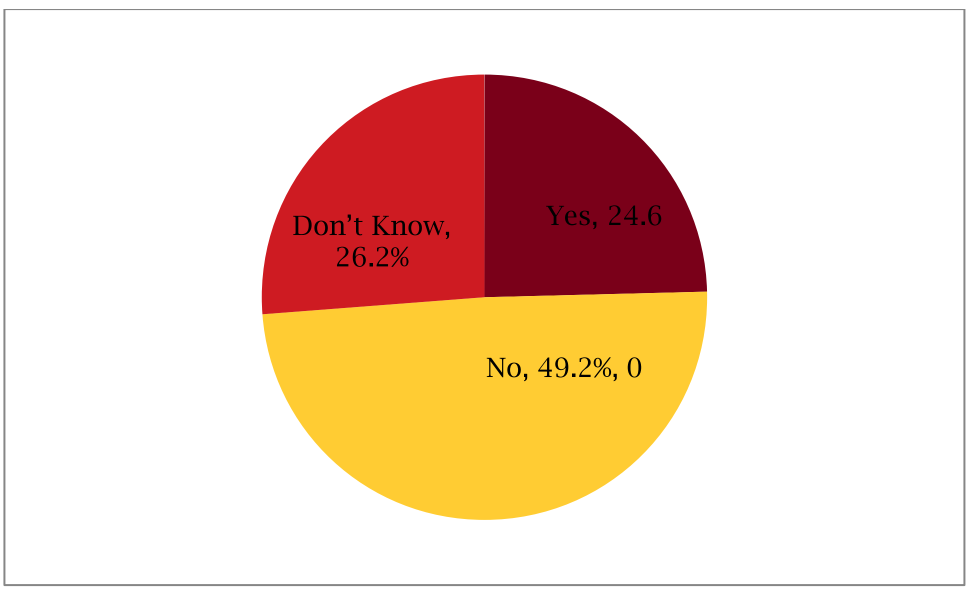
Just under one quarter of the businesses are planning business improvement projects, while 49 percent have no plans and 26 percent don't know (see Figure 12).

Figure 12: Business owners' plans to expand (n=63)



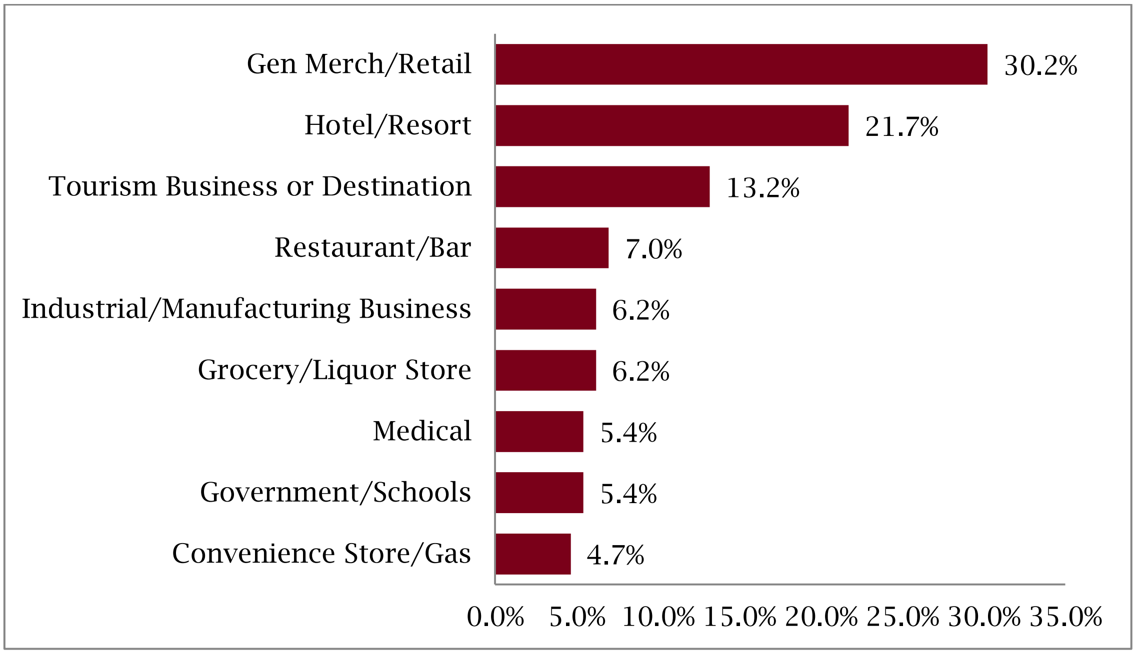
A good sign of confidence in their current situation, nearly one quarter plan some type of building improvement (see Figure 13).

Figure 13: Considering building improvements (n=61)



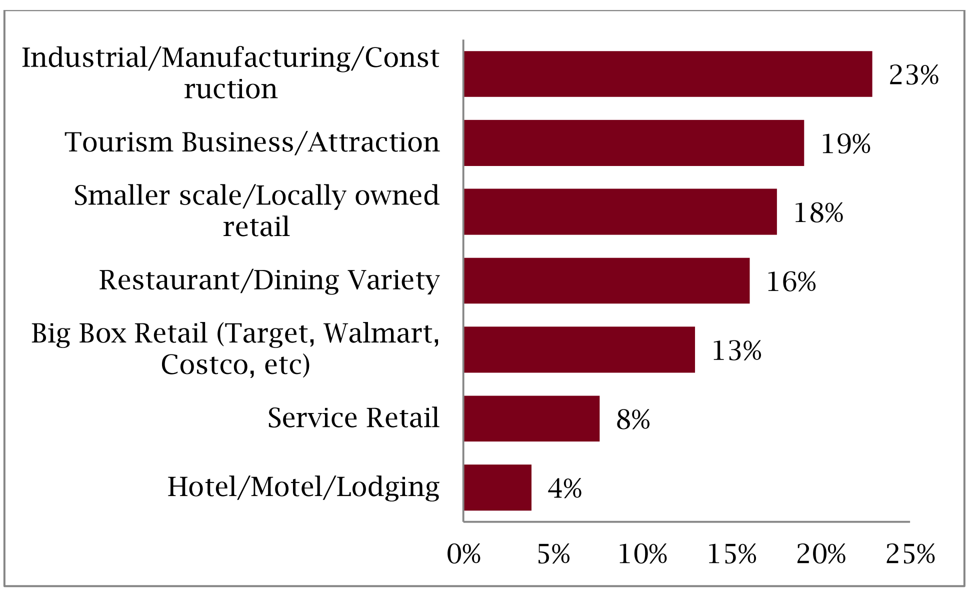
Survey respondents were asked to identify nearby businesses that complement or bring the most traffic to their business. Thirty percent of the respondents cited general merchandise retail as the largest category that most often brings traffic to their own business, followed by hotels and resorts (21.7 percent) and tourism destination or tourism related businesses at 13 percent (see Figure 14).

Figure 14: Complementary businesses



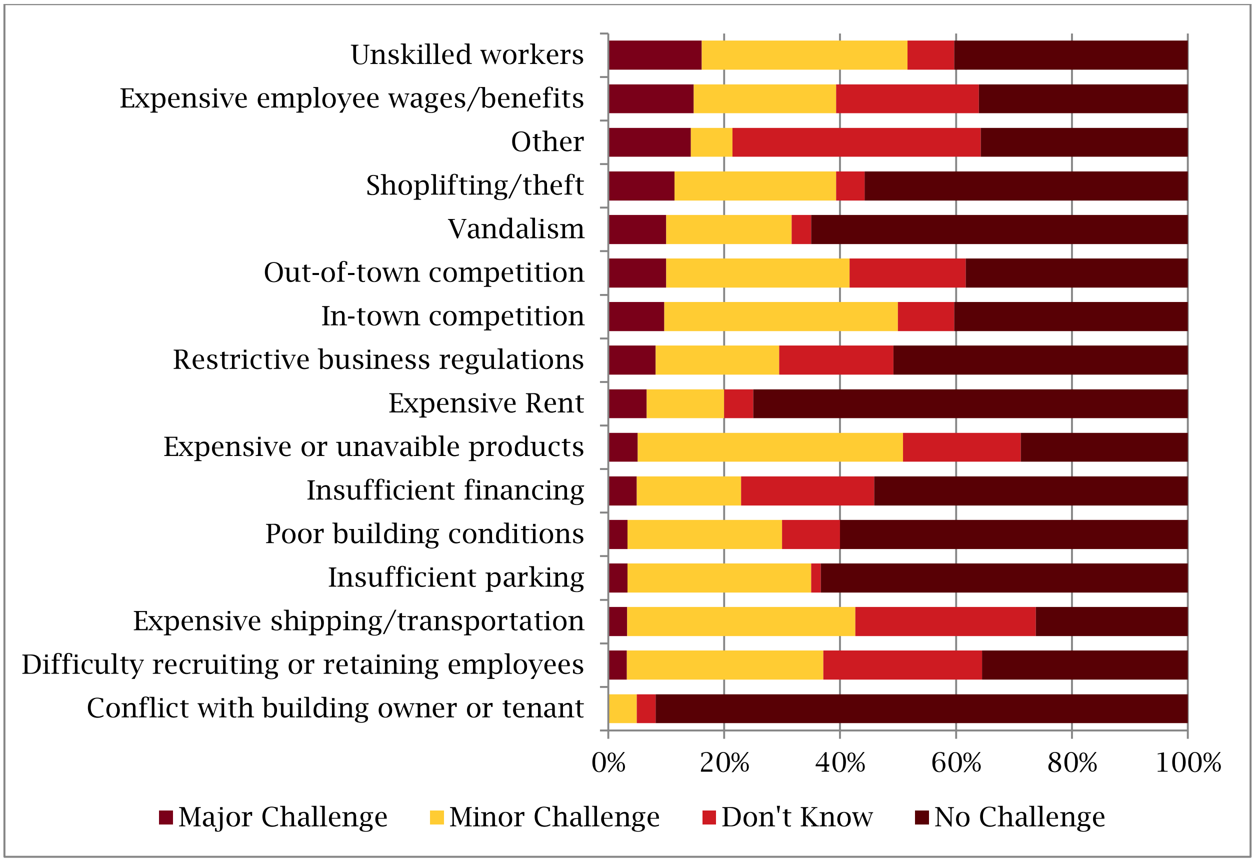
When asked what types of businesses they would like to see in the International Falls area that may help their business, respondents cited a wide range of businesses that could be helpful. The top responses were manufacturing, industrial, and construction businesses at 23 percent. Other top responses were tourism-related businesses or attractions (19 percent), smaller scale or locally owned businesses (18 percent) and more variety in dining opportunities and restaurants (16 percent). See Figure 15 below for the full results.

Figure 15: What type of retail business owners would like to see (131 responses)



When asked to rate the degree of which they were experiencing various business challenges, respondents indicated that unskilled workers was both a major and minor challenge by over 50 percent of the businesses. Other challenges include expensive employee wages and benefits and shoplifting/theft (see Figure 16).

Figure 16: Business challenges by percent of business owner respondents (n=75)



CUSTOMER PERSPECTIVES

Local Resident Respondent Demographics

Overall respondents were not completely representative of the demographics in the study area with a greater proportion in older age categories and middle income categories than census figures (see Figures 17 and 18).

Figure 17: Household income of US respondents compared to 2014 ESRI estimates for study area (n=155)

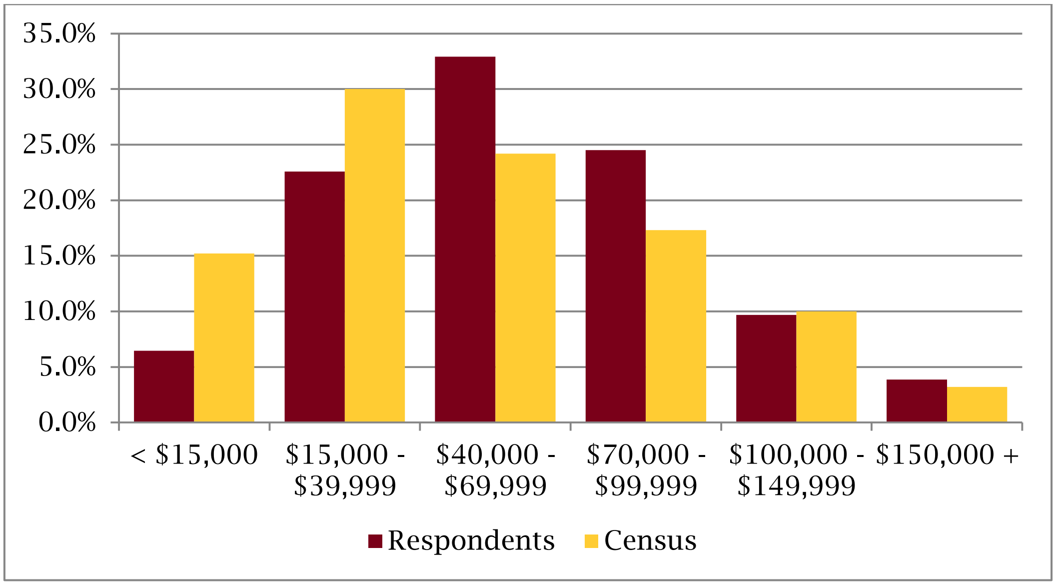
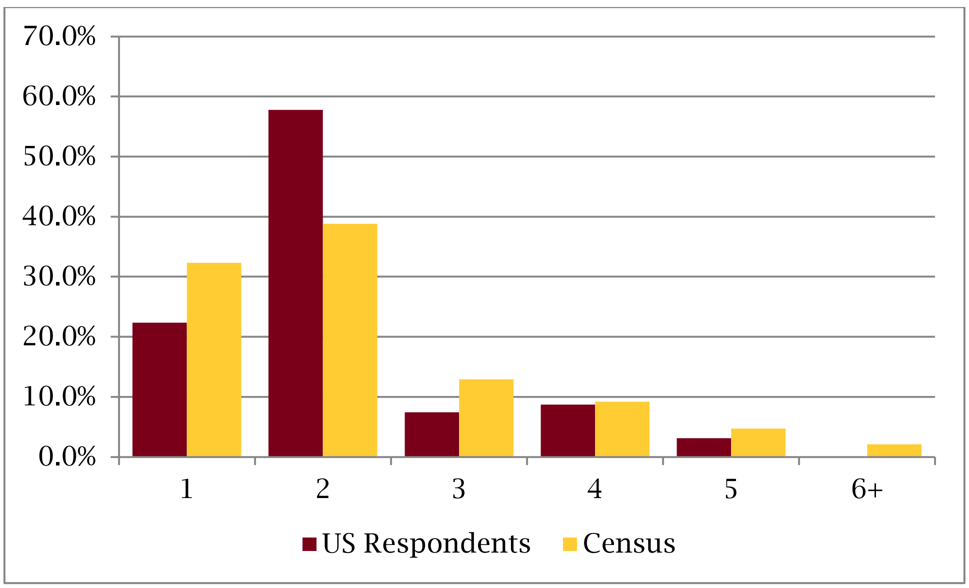
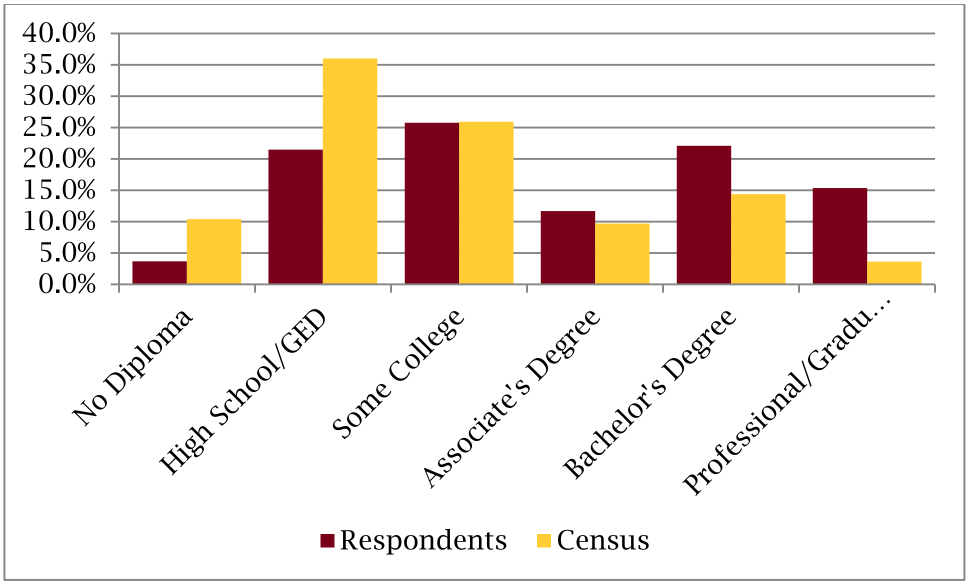


Figure 18: Size of household of US respondents compared to 2010 Census for study area (n=161)



Respondents are more highly educated with three-quarters holding either a bachelors or a graduate degree (Figure 19).

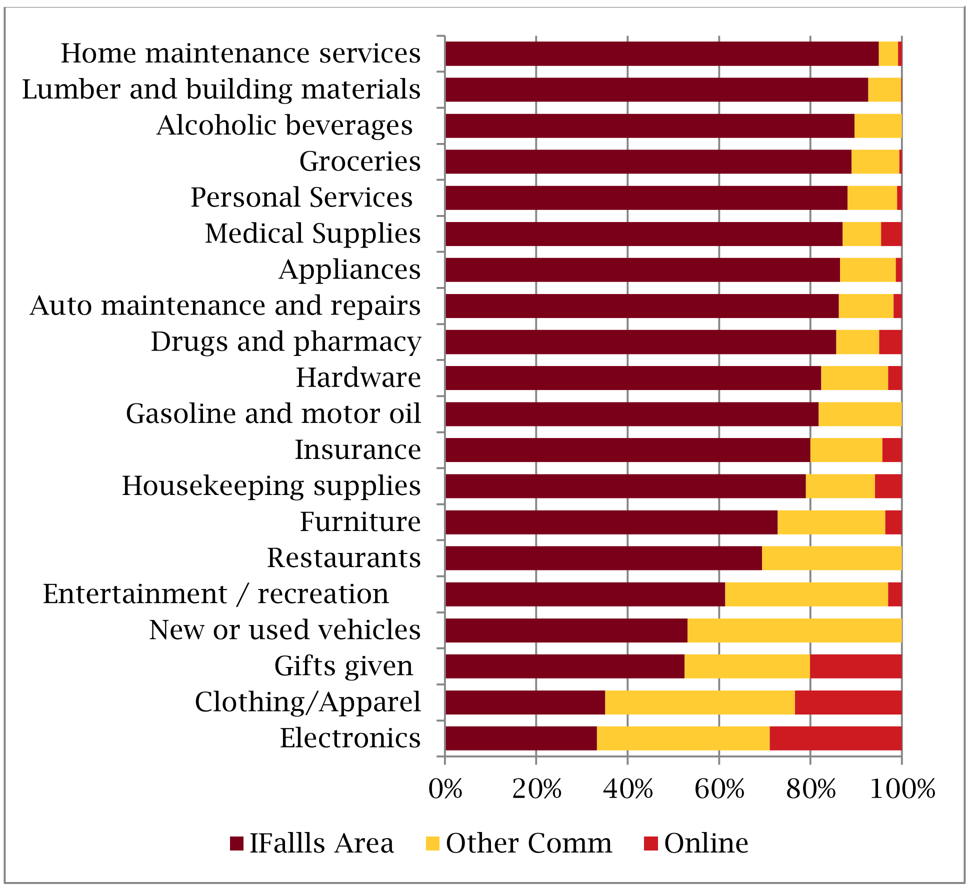
Figure 19: Education level of survey respondents compared to census (n=163)



Local Respondent Shopping Habits and Spending

Respondents access the goods and services they need from a variety of sources, although they report purchasing the lion's share of goods and services in the International Falls area. This is consistent with sales tax data figures for most categories such as building materials and groceries, however the amount of local sales reported for motor vehicles is not consistent. The sales tax data suggests that International Falls is capturing a greater share than respondents report, a discrepancy in part related to the small sample of respondents with a vehicle purchase in the past year.

Figure 20: Percent of households spending by location and category (n=158)



All categories vary by the percentage of spending in the International Falls area by respondent. However, to understand the importance of each category, one needs to look at the total spending in each category. Extension estimated the total spending in each category based on the household size and reported spending by location of each respondent household. For example, a household of four reporting that they spend 50% of their grocery dollar in the International Falls area and 50% online, would have $5,411 (average spending on groceries for households of four people from the Consumer Expenditure Survey) split between the two locations. Having done these calculations for all respondents across 21 retail categories in the survey, Extension applied this spending profile to all 5,919 households in the US side of the study area, assuming that the spending patterns of respondents are representative of the whole study area.

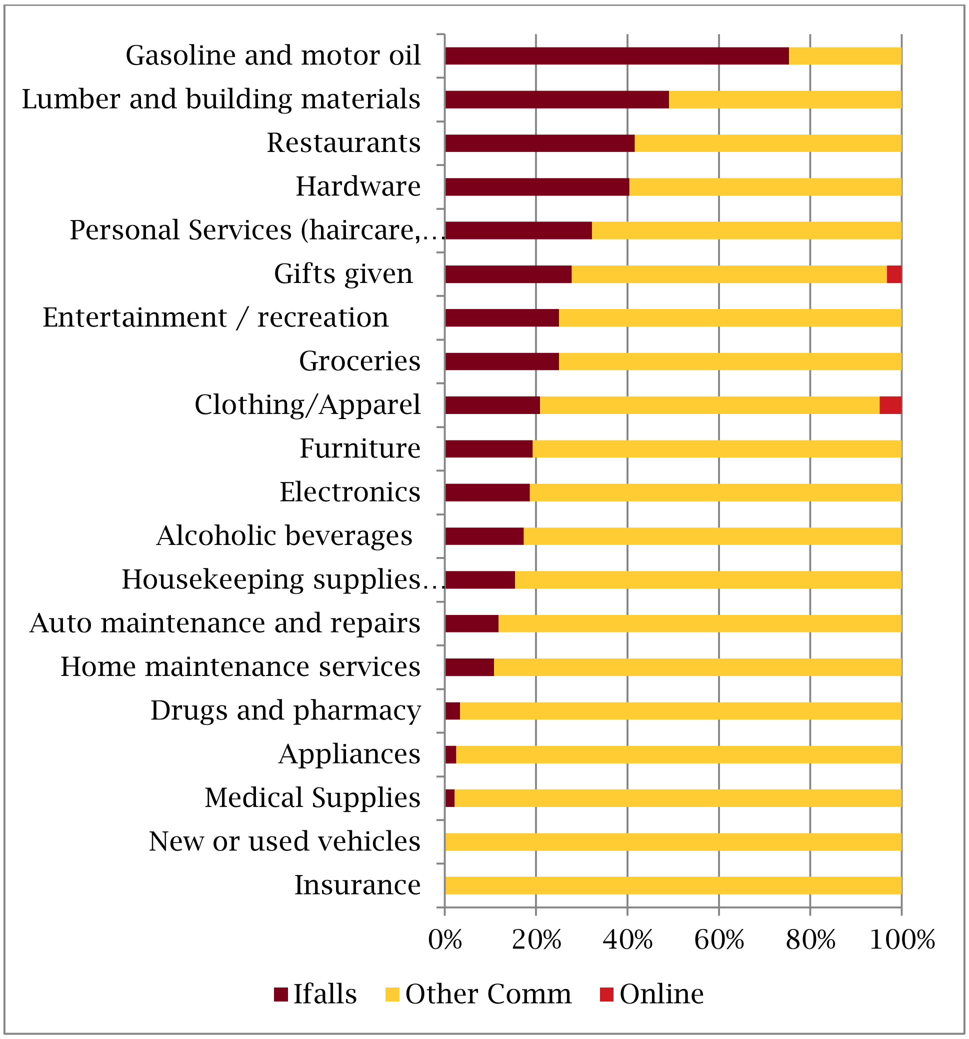
Table 3: Estimates of spending by location based on survey sample and consumer expenditure survey data by household

	I-Falls Area	Other Comm	Online
Medical Supplies	$ 757,361	$ 73,024	$ 39,450
Appliances	$ 1,551,475	$ 219,361	$ 23,908
Furniture	$ 2,128,599	$ 686,964	$ 106,438
Alcoholic beverages	$ 2,638,116	$ 304,730	$ -
Drugs and pharmacy	$ 2,796,299	$ 305,173	$ 162,728
Housekeeping supplies	$ 2,940,326	$ 565,311	$ 218,332
Personal Services	$ 3,355,600	$ 411,457	$ 41,250
Home maintenance services	$ 4,261,901	$ 188,759	$ 38,148
Hardware	$ 3,722,776	$ 662,645	$ 136,842
Auto maint and repairs	$ 4,170,410	$ 580,113	$ 88,057
Electronics	$ 1,918,753	$ 2,177,781	$ 1,666,108
Gifts given	$ 3,585,443	$ 1,877,440	$ 1,376,063
Lumber and building materials	$ 6,722,183	$ 521,116	$ 12,549
Clothing/Apparel	$ 3,401,952	$ 4,023,782	$ 2,265,911
Entertainment / recreation	$ 6,074,542	$ 3,525,239	$ 297,963
New or used vehicles	$ 8,059,993	$ 7,114,852	$ -
Gasoline and motor oil	$ 12,505,312	$ 2,787,325	$ -
Restaurants	$ 10,664,944	$ 4,701,663	$ -
Insurance	$ 16,130,799	$ 3,169,731	$ 862,378
Groceries	$ 19,141,185	$ 2,247,504	$ 115,626

Canadian respondents in the study area report frequent shopping in International Falls and nearby communities, crossing the border nearly two times per month to shop. 95% of respondents report shopping at least once in the area in the past 12 months, whereas only 30% of US households report any shopping in Fort Francis in the same time period. A total of 4,245 households, or over 40% of total households, live north of the border in the study area.

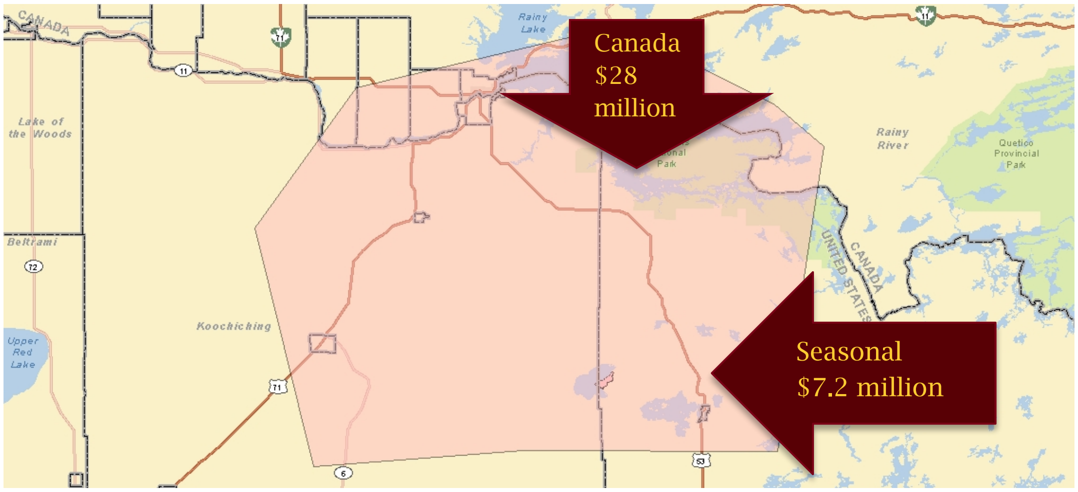
Although a small sample, Canadian respondents report spending in a significant percentage of categories in the International Falls area. In particular, Canadian respondents report spending 75% of gasoline costs in the International Falls area as well as 49% of lumber and 42% of dining at restaurants (see Figure 21).

Figure 21: Percent of Canadian respondent household spending by category and location (n=19)



Based on the shopping pattern of our limited sample of survey respondents and Statistics Canada's Survey of Household Spending, we estimate that Canadians contribute roughly $28 million (Canadian) or about 9% of their household spending to the US portion of the study area.

Figure 22: Total Canadian and seasonal resident spending contributions to US portion of study area



Seasonal Resident Perspectives

Seasonal resident survey respondents are primarily in their 50's and 60's or older and are well-educated. Only 7 percent of the respondents were under the age of 50. Just under 30 percent have households that earn over $150,000 per year and an additional 21 percent earn over $100,000 per year.

Seventy-two percent of the survey respondents were male and half of them are retired (see Figures 23 and 24). The large number of retirees may account for the older age profile that is shown in the charts below.

Figure 23: Age of respondents (n=276)

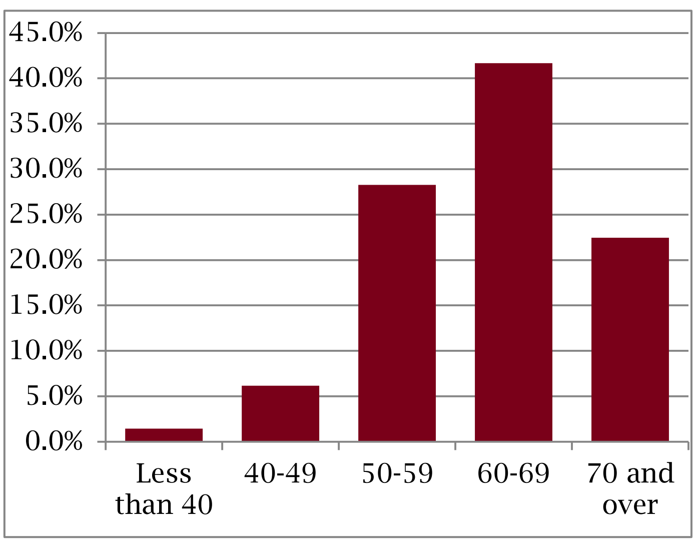


Figure 24: Gender of respondents (n=276)

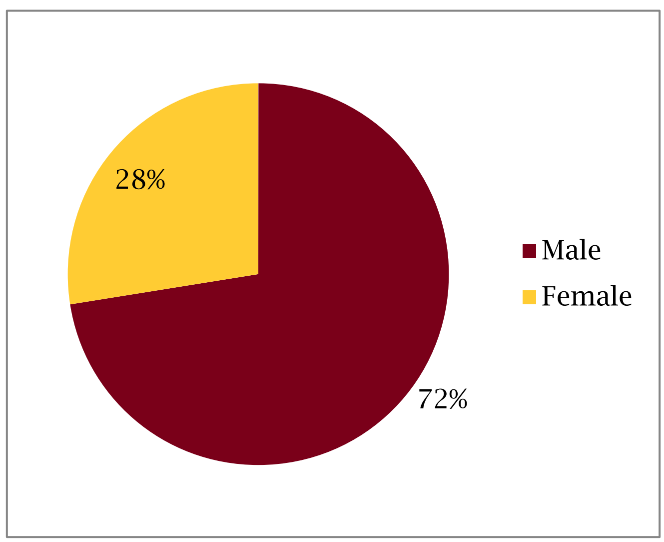


Figure 25: Education level of respondents (n=274)

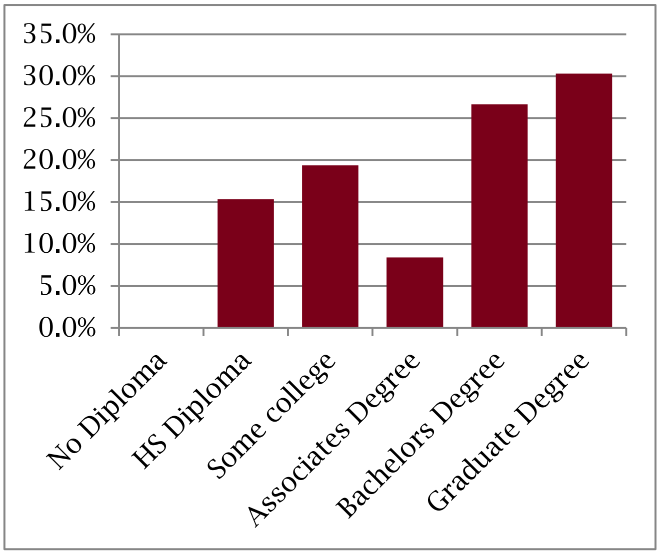


Figure 26: Employment status (n=271)

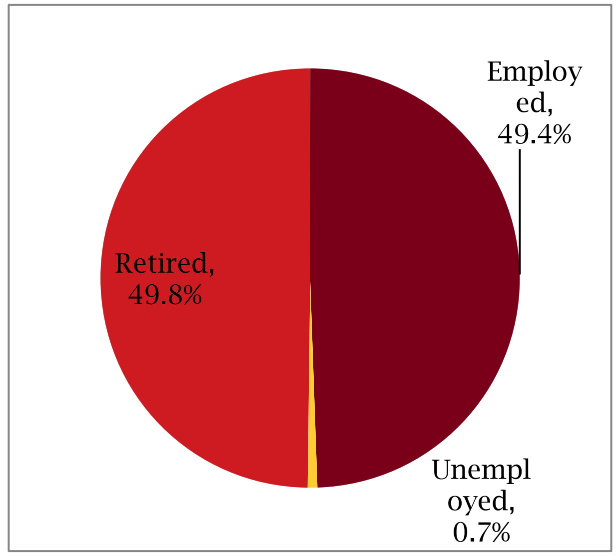
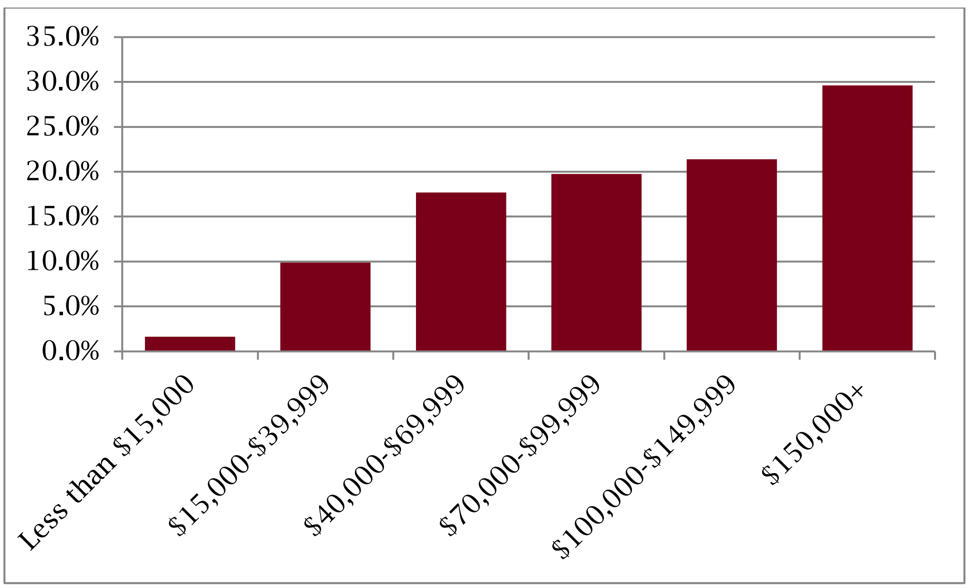


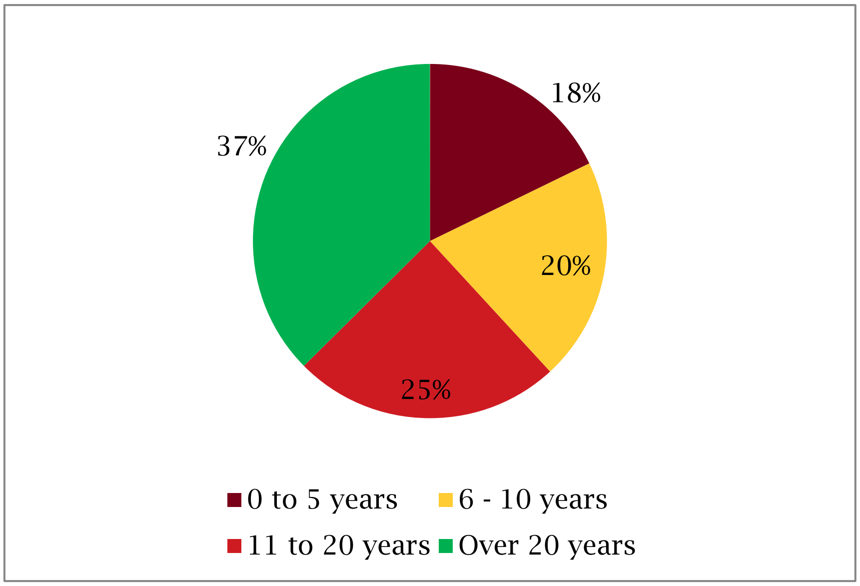
Figure 27: Household income of respondents (n=243)



Current Use of Second Home

Respondents to the survey varied significantly in how long they have owned their properties. 37 percent have owned their second home property for more than 20 years and another quarter have owned the property for over 11 years. 38 percent have owned their property for 10 years or less (see Figure 28).

Figure 28: Length of ownership (n=271)



We asked survey participants to share with us how and when the property is being used. While the majority of the respondents indicated that it is primarily used just by the owner and their household (average size of 2.2 persons and 12% have children under age of 18) , just under one quarter of the properties have shared use with other family members (see Figure 30), sharing with an average of six others. Although renting out of second home to visitors is a concern of the Minnesota resort industry, less than 1% of respondents report renting out their property. Not surprisingly, respondents report that their property is occupied primarily in the summer months, although some occupy their property frequently into the autumn (see Figure 29). Overall, respondents occupy their second home an average of 60 days annually.

Figure 29: Average number of days at second home by month (n=278)

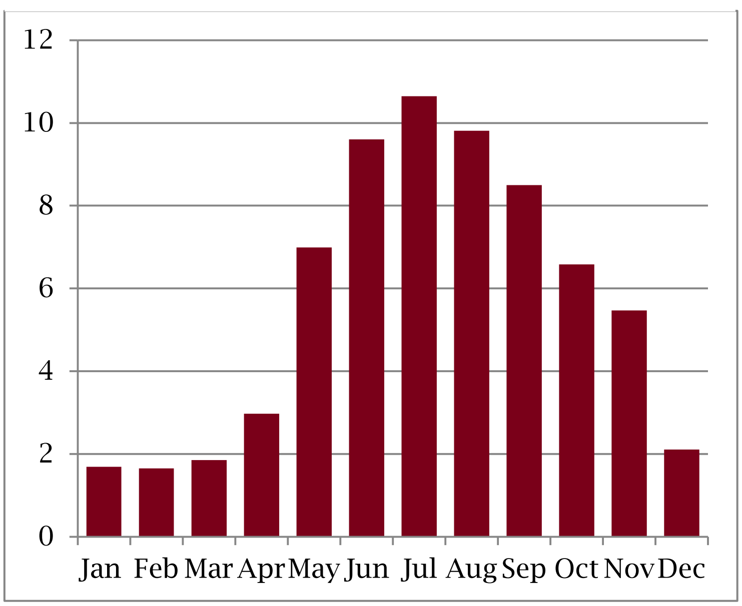
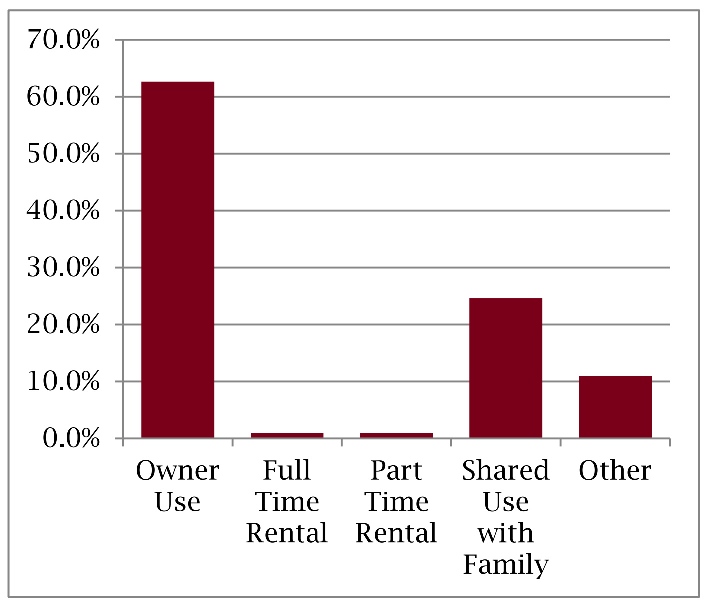


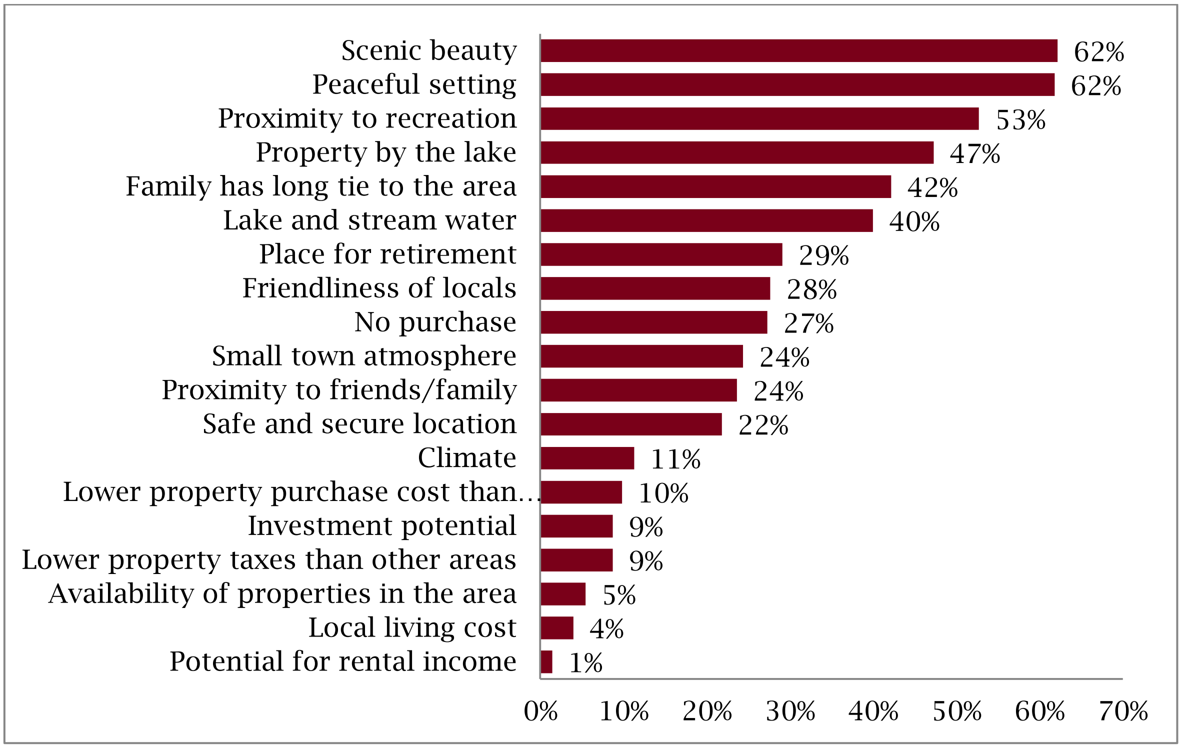
Figure 30: Type of use of second home (n=275)



Respondents were asked whether or not they telework from their second home. While the vast majority does not telework, it is a practice that is done by 15 percent of the property owners who responded.

Seasonal residents were asked about the reason that they purchased their second home in the International Falls area. Natural amenities such as scenic beauty, peaceful setting, proximity to recreation, and having a property by the lake were amongst the most popular categories chosen. Having family with long ties to the area, a place for retirement and the friendliness of locals were also highly valued.

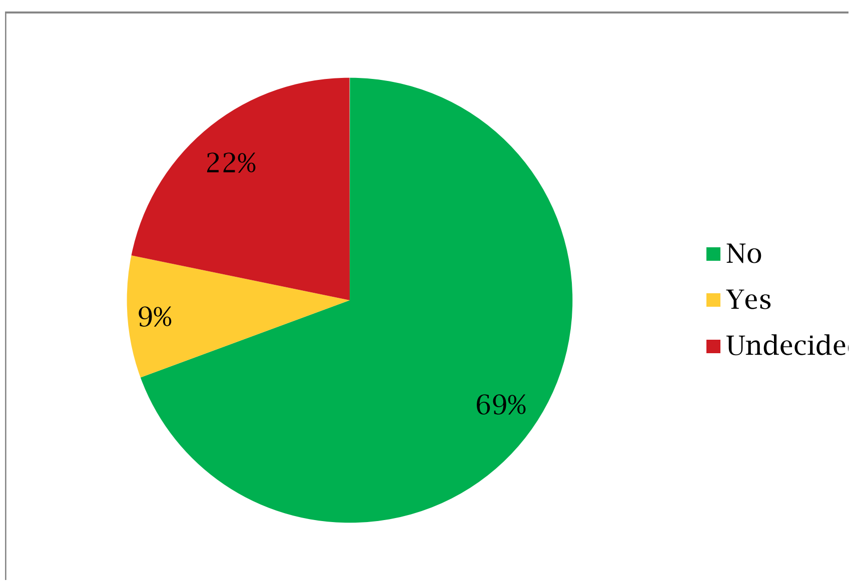
Figure 31: Reasons for purchase of second home (n=275)



Future Plans for Second Home

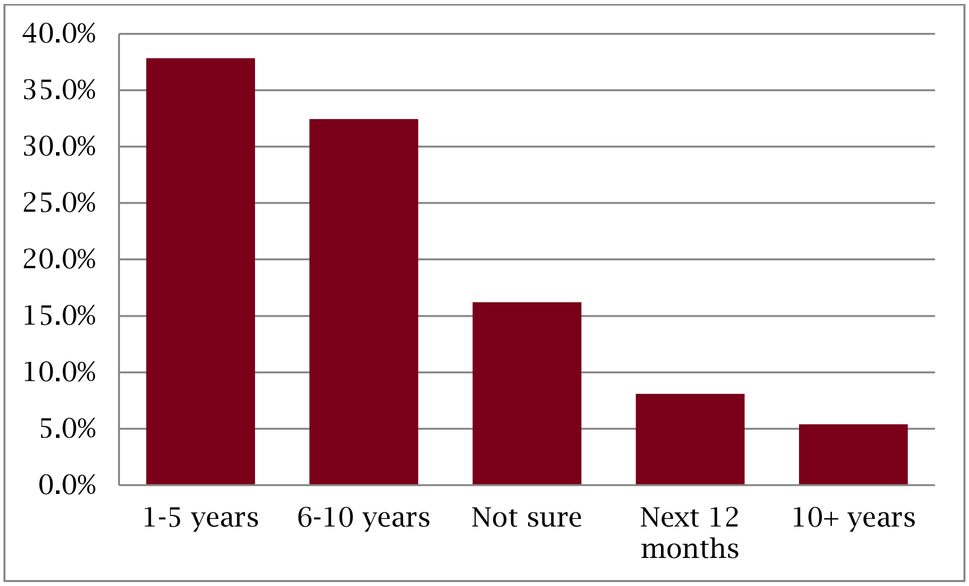
The majority of seasonal residents who responded do not plan to transition permanently to their second home. About 9 percent do plan to permanently move there in the future and 22 percent are undecided. This is a significant difference between a study of second homeowners in Central and West Central Minnesota, where 56% of respondents reported that they plan to move permanently to their second home (Pesch and Bussiere, 2014).

Figure 32: Intention of respondents to retire to second home property (n=271)



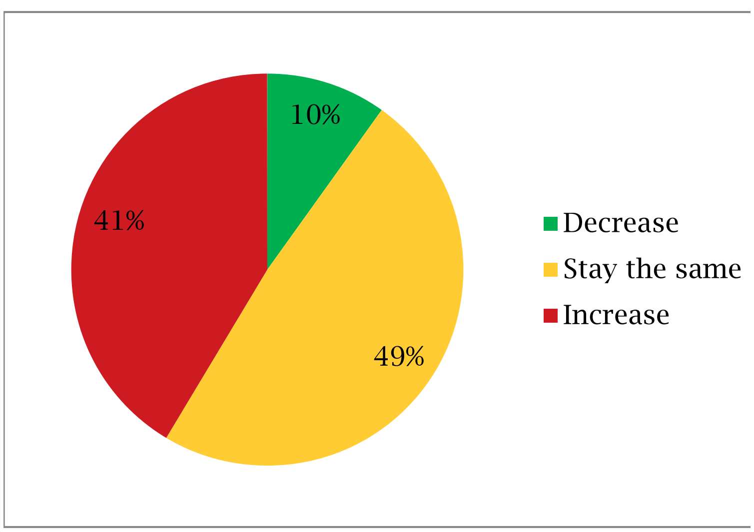
Of those that are planning to permanently move to their second home property, 38 percent plan to make the move in the next 1-5 years, and 32 percent in the 5-10 year time period.

Figure 33: Timeframe for those intending to retire to second home property (n=271)



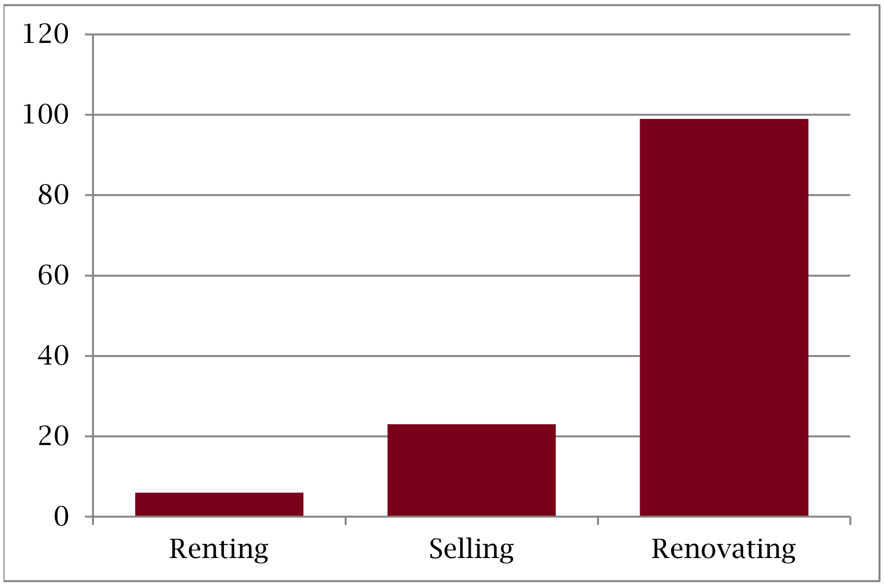
Forty-one percent of the seasonal residents surveyed plan to increase their use of the property in the next 5 years, while 49 percent believe that there will not be a change in the frequency of the time spent at the property. Only 10 percent plan to decrease the amount of time spent in the area over the next 5 years.

Figure 34: Change in frequency of use in next five years (n=273)



In addition, 99 respondents are planning to renovate in the coming 5 years, while 23 plan to sell and are planning to rent out their property at least part of the time. Considering the impact construction and building material spending has on the local economy (see Tables 2 and 4), such a large portion looking to renovate is significant.

Figure 35: Plans for changes to property in next five years by number of respondents (n=128)



Seasonal Resident Community Engagement and Attachment

Gauging the degree to which seasonal residents feel attached or engaged with their second home community may help area community leaders decide on how to best connect with their part-time residents, particularly those that may become permanent residents one day. Survey respondents indicate that they feel strongly attached to their second home property, but a bit less attached to their second-home community.

Figure 36 Response to property attachment question (n=258)

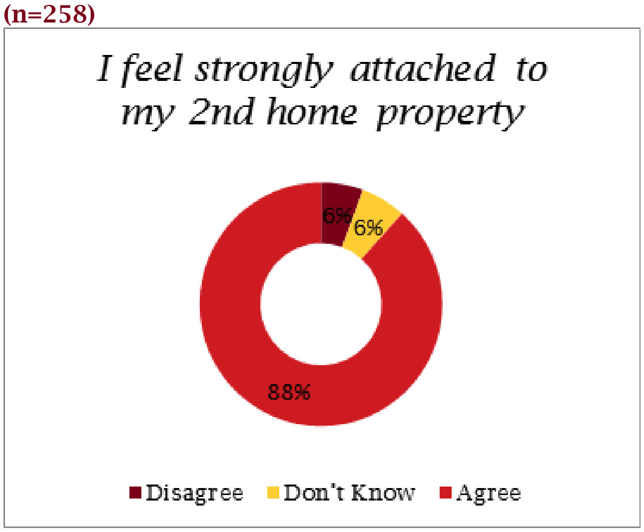
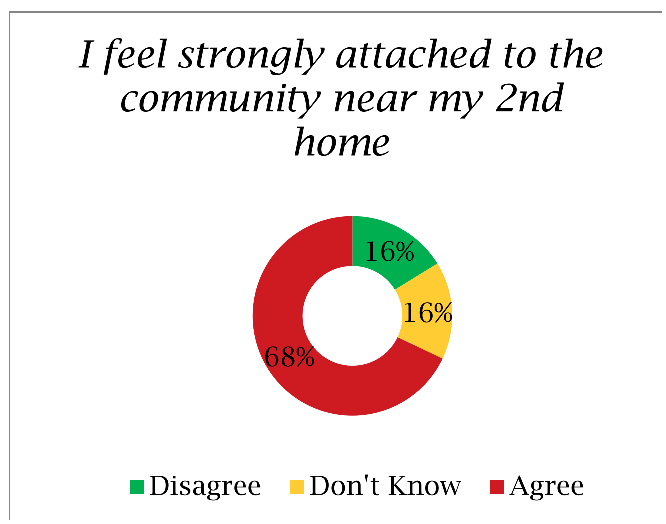
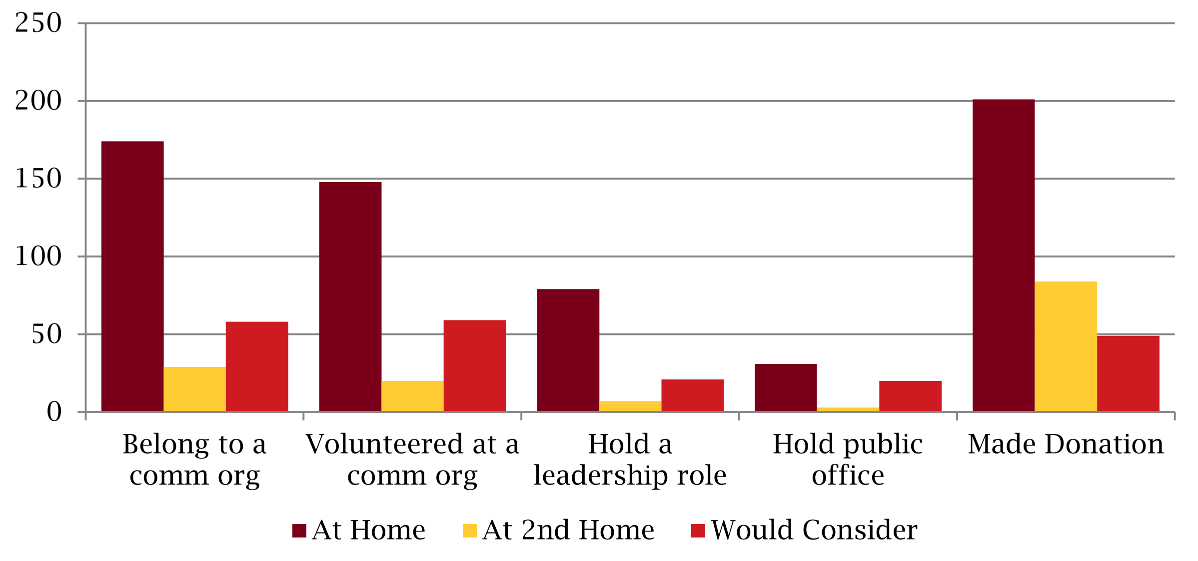


Figure 37: Response to community attachment question (n=258)



We asked respondents about their current involvement in their primary resident community in addition to their second home community. We also asked about their potential for getting involved. We chose this three part question to gauge whether respondents would consider involvement in their second home community. Results from the survey show that a small percentage are actually involved with their second home community. A small but notable percentage indicated that they would be willing to become more involved with their second home resident community.

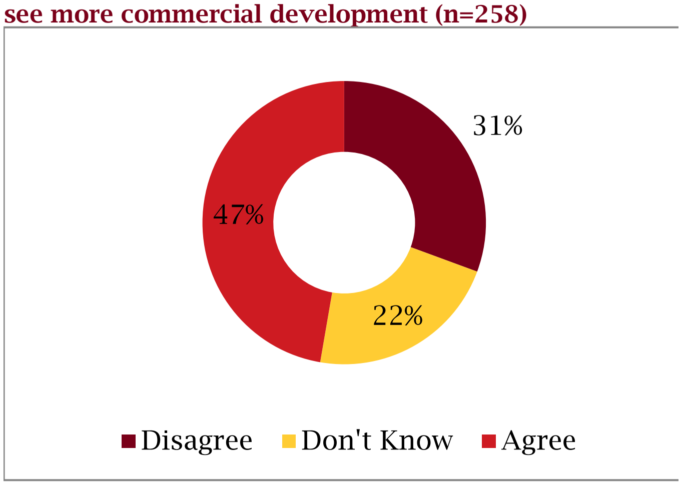
Figure 38: Community involvement at home and in second home community (n=235)



Considering that one goal of the Voyage Forward project is to identify business development opportunities, we found that second homeowners bring a wealth of business management skills and knowledge to the region, and, potentially, their existing businesses. We asked survey participants whether they have owned, operated, or played a significant management role in a business and found that a majority (141 respondents or 52%) have done so. We also asked participants whether or not they would consider establishing a new business or relocating a branch of the business to the second home community. Of those with management experience, 34 respondents answered that they would consider relocating their business or a branch to the area.

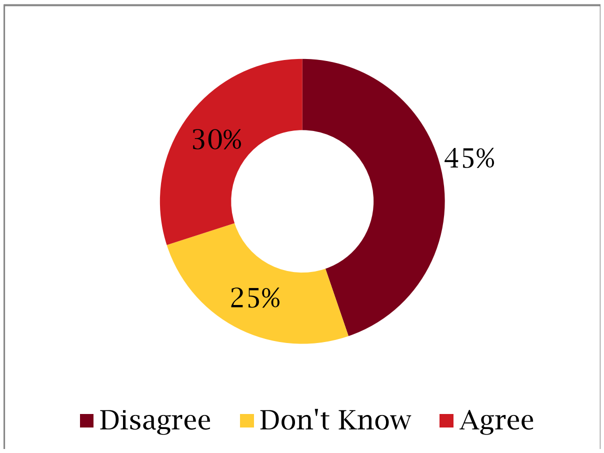
Views on Local Development and Future Issues

Figure 39 Percentage of respondents who would like to see more commercial development (n=258)



We asked second homeowners about development because its level of intensity may impact the landscape and quality of life which first brought them to the area. We also asked about their ideas for community improvement. Just under half (47 percent) indicate that they would like to see more retail and commercial development in the area and just over half either disagree or don't know about additional development.

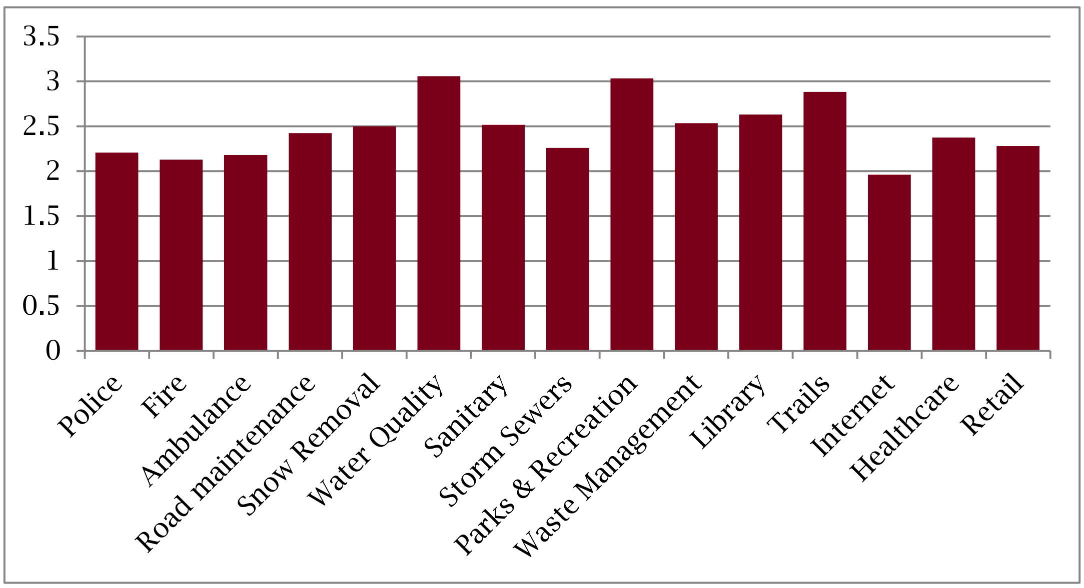
Figure 40 Percentage of respondents to question "Additional residential development threatens the quality of life" by response (n=257)



47 percent of the respondents said that additional residential development would threaten the quality of life in the area, while 30 percent do feel that it would be a threat. One quarter (25 percent) don't know whether additional residential development would threaten the quality of life in the area.

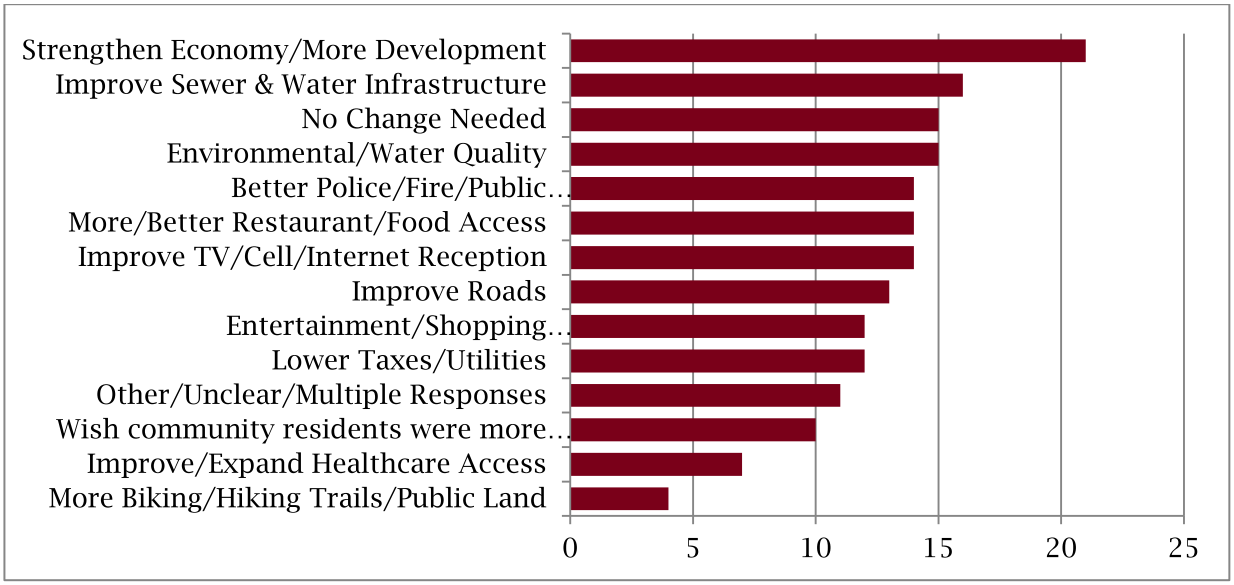
Services and amenities are also important factors to consider for seasonal property owners. We asked survey participants about their level of satisfaction with a range of resources. The question assigned a 1 point for a poor ranking, 2 for adequate, 3 for good, and 4 for excellent. None of the amenities or services on average came close to excellent for this question. Water quality, parks and recreation, and local trails scored the highest out of all of the amenities provided. The rankings for all amenities and services can be seen in the chart below.

Figure 41: Average ranking of amenities by respondents (N Varies by Amenity)
Note: The Count of Respondents Choosing N/A or Does not Apply is not listed.



When asked an open ended question about changes to improve life in the area where their second home is located, the most popular responses were those related to strengthening the local economy and more development. Other popular responses were in the areas of improving sewer and water infrastructure, environmental and water quality, or indicating that no change was needed.

Figure 42: Changes to improve life in county where second home is located by number of respondents (n=180)



Seasonal Resident Spending

The business owners who replied to the survey shared that seasonal residents or second homeowners are a significant and important part of their customer base. According to US Census statistics, 1,905 seasonal housing units are with the US portion of the study area. However, based on local property tax data, we conclude that 1,066 is a better count for seasonal households; 220 seasonal properties were removed since property tax records indicated that their owners lived within the study area.

Extension asked second homeowners to estimate where they purchase goods and services for use when at their second home. The survey asked about three types of spending in three different ways to make as accurate estimates as possible:

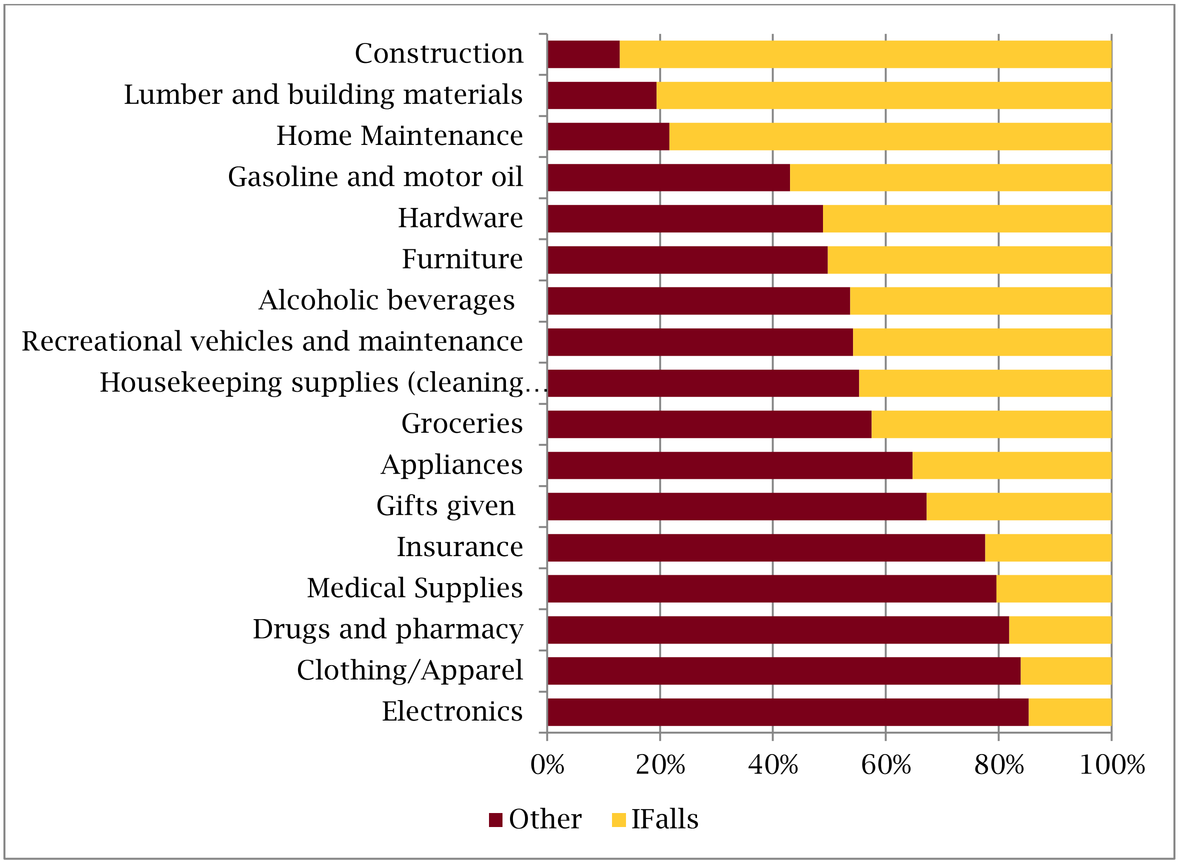
1. *Retail Goods:* Second homeowners may commonly purchase goods for use at the second home at their primary home location, online, or en route to their second home, for example, picking up goods in Virginia when traveling from the Twin Cities north. Therefore, the survey asked participants to estimate where they purchased these goods for their second home, whether in the International Falls area or any other community, en route, or online (See Figure 43). The survey also asked whether they purchased the good or service at all for their second home. Extension used the consumer expenditure survey and household size to estimate to household spending in each category and then estimated spending in the study area according to location of purchase and time spent in the area.
2. *Services:* The survey asked second homeowners about services in a fashion different from retail goods. We assumed that since households can't transport services such as auto repair or hair styling from their home or en route, that their spending would be proportionate to their time spent at their second home. Instead, we asked whether they accessed these services at all in the International Falls area when at their second home and whether they spent more or less on these services and by how much. For example, participants were asked whether they ate at restaurants in the area when at their second home, and, if so, how much more or less they spent when at their second home. Extension combined these

responses about purchasing with consumer expenditure survey data to estimate spending in the study area.

3. *Home-related Annual Spending*: They survey asked second homeowners directly about annual expenses we thought that respondents could easily recall. For example, the survey asked participants to estimate how much they spent on lumber or construction in the past twelve months and whether that spending was in or out of the study area. Other annual expenditures like this included home maintenance services and large ticket home investments like appliances and furniture. Extension used these dollar estimates to calculate average spending in the International Falls area.

How much seasonal residents spend in the International Falls area varies significantly by category. Respondents report spending over 90% of their construction need and building material needs locally, whereas less than 20% of total spending in clothing, electronics and pharmacy (see Figure 43).

Figure 43: Percentage of total seasonal spending by location (in International Falls area or other community/online)



Two important factors which explain how much seasonal residents spend in the area are (1) whether those households source a good or service at all for their second home, and (2) time spent at their second home (see Figure 29).

For example, less than half of respondents indicate that they purchase personal services while at their second home. This may be no big surprise, however, since many are particular about who cuts their hair or does their nails. Almost all survey respondents purchase common needs such as groceries, gasoline, and dining in the International Falls area (see Table 4).

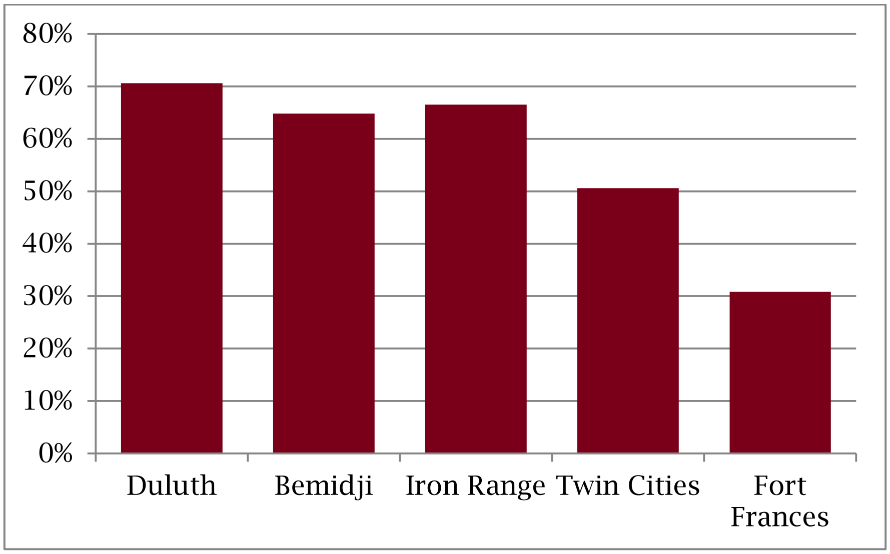
Table 4: Estimates of seasonal resident spending in International Falls area based on survey and 1,066 total seasonal properties

Retail Goods	Average Spending per Household in International Falls Area	Total Spending in Study Area (based on 1,066 properties)	Percent not Buying for or at Second Home	n
Groceries	$ 261.87	$ 279,158	9%	254
Alcoholic beverages	$ 31.41	$ 33,481	23%	250
Gasoline and motor oil	$ 226.66	$ 241,619	7%	249
Housekeeping supplies (cleaning supplies, household products)	$ 40.35	$ 43,010	13%	245
Drugs and pharmacy	$ 12.63	$ 13,461	38%	246
Medical Supplies	$ 3.12	$ 3,325	43%	244
Clothing/Apparel	$ 30.82	$ 32,857	28%	246
Insurance	$ 94.16	$ 100,378	26%	237
Gifts given	$ 42.82	$ 45,646	32%	240
Electronics	$ 15.97	$ 17,029	37%	238
Hardware	$ 59.35	$ 63,269	11%	246
Services				
Restaurants	$ 371.71	$ 396,243	9%	255
Personal Services (haircare, nails, laundry services)	$ 34.86	$ 37,156	57%	252
Auto maintenance and repairs	$ 50.92	$ 54,285	50%	250
Entertainment / recreation	$ 213.80	$ 227,909	33%	250
Annual home-related expenses				
Furniture	$ 147.84	$ 157,595	60%	242
Lumber and building materials	$ 2,196.69	$ 2,341,673	27%	246
Construction	$ 1,820.79	$ 1,940,961	45%	239
Appliances	$ 94.09	$ 100,298	61%	244
Home Maintenance	$ 294.52	$ 313,953	53%	252
Recreational vehicles and maintenance	$ 730.84	$ 778,077	49%	249
Total	$ 6,775	$ 7,222,383		

Competing Shopping Centers

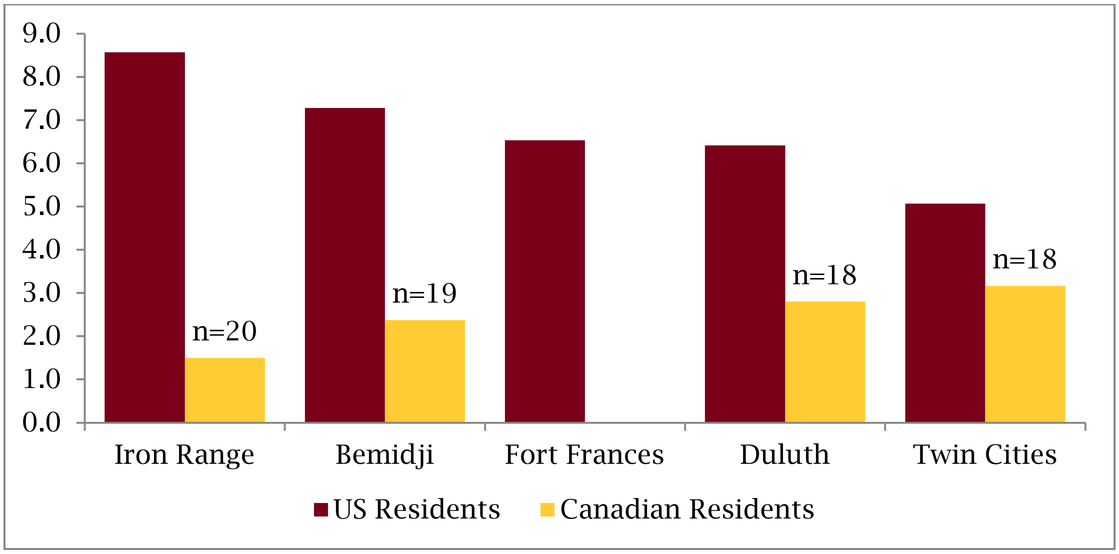
To understand where customers are shopping outside of the study area, our survey asked about communities in and out of the region where one would expect residents to travel. The most common location for shopping outside the study area was Duluth, followed by Iron Range communities and Bemidji. Although Canadian respondents, understandably, reported frequent shopping in Fort Frances, only about 30% of US residents crossed the border for goods and services.

Figure 44: Location of shopping outside of study area by percentage of respondents



The frequency with which respondents shop in communities outside of the study area illustrates that the Iron Range cities are the most often visited for shopping at an average of 8.5 times per year (see Figure 45). Although Duluth captured the greatest proportion of respondents, customers shopped both Bemidji and Fort Frances more frequently.

Figure 45: Average number of times US and Canadian respondents shopped at destination in past year



The types of stores for which local consumers are traveling generally reflect the types of stores respondents report that they want locally. First and foremost, local respondents are traveling for general merchandise, certainly Walmart and Target in particular, however general merchandise fleet supplies are important stopping places in Bemidji and Iron Range cities. Traditional department stores such as Kohl's and Macy's were important shopping locations in Duluth and the Twin Cities, although not mentioned nearly as many times as discount department stores. Clothing stores rank second in importance in all communities except Fort Frances. The most popular brands were Herbergers and JCPennys by far, although TJMaxx and Maurices were also represented. Third, a small percentage mentioned craft stores such as JoAnn's Fabrics and Hobby Lobby as well as sporting goods such as Gander Mountain, consistent with other answer categories in the survey.

Table 5: Stores most frequented by shopping location and number of mentions (n=99)

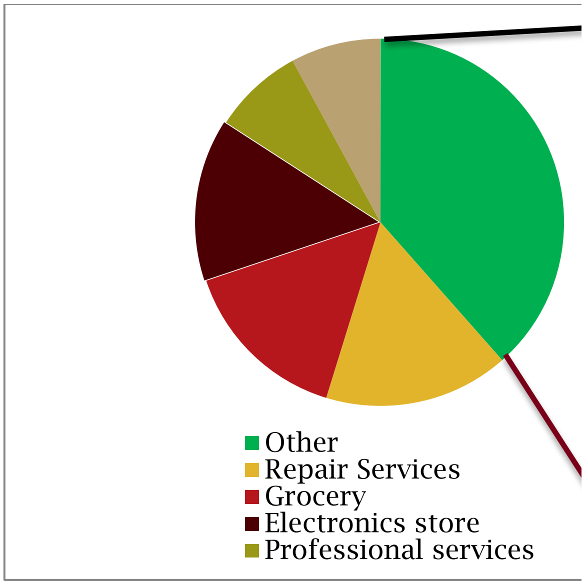
Duluth		Iron Range		Twin Cities		Bemidji		Fort Frances	
Target/ Walmart	74	Target/ Walmart	64	Target/ Walmart	31	Target/ Walmart	65	Walmart	17
Herbergers/ JCPennys	38	Herbergers/ JCPennys	33	MOA/Malls	20	Herbergers/ JCPennys	23	Safeway	8
Mall/Miller Hill	35	L&M Fleet/ Fleet Farm	21	Macy's/Kohl's	12	L&M Fleet/ Fleet Farm	18	Tim Horton's	6
Macy's/Kohl's	18	Home Depot	7	Herbergers/ JCPennys	11	Home Depot	10	Canadian Tire	4
GanderMtn/ Dicks Sporting	4	Mall	5	Gander/REI/ Cabelas	6	Joanns/Hobby Lobby/Craft	9		

Recommendations for Business Types

The surveys of local US and Canadian residents and second homeowners asked respondents three questions about which types of businesses they would like to see come to the International Falls area. Two of the questions were open-ended and one was multiple choice asking about a select list of business types and whether they would patronize if developed in the area. There was a clear preference for dining establishments and discount general merchandise stores, although some pointed towards specialized retail types which would fit the outdoor brand of the region such as a sporting goods and rental and waterfront casino or hotel.

When asked about specific business categories they would likely patronize if developed, "Other" was the most popular response. Discount department store chains such as Target and Wal-Mart were most mentioned, although 30% of the suggestions went to clothing and clothing chains. Five respondents in the other category offered up specialty grocery suggestions, specifically health food and organics.

Figure 46: Types of businesses local respondents would patronize if developed (n=149)

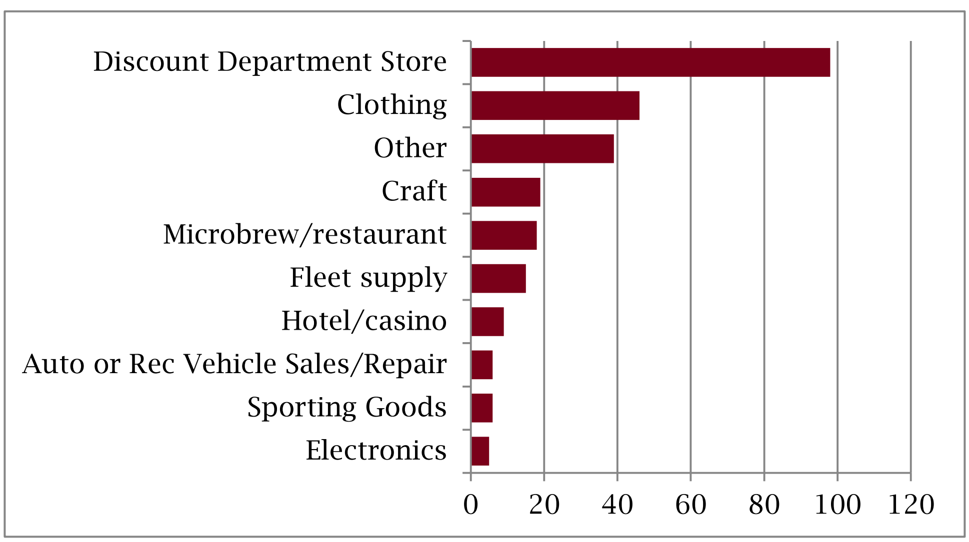


OTHER:	
Category	# of mentions
Discount Department Store	58
Clothing	26
Other/specialty grocery	15
Restaurant	12
Fleet supply	6
Craft or hobby	5
Sporting Goods	4
Casino/attraction	3
Auto & Rec Vehicle Sales/Repair	2

On a related but open-ended question, respondents were asked to share up to two business names or types they would most like to come to International Falls. Similar to the 'other' responses in the first question, discount or general merchandise store were dominate, reported by 69% of respondents. Desires for more clothing and restaurant options are also popular. Business mentioned in the 'other' category include a number of single-person suggestions for new manufacturing as well as individual retail opportunities ranging from tax prep to Trader Joe's.

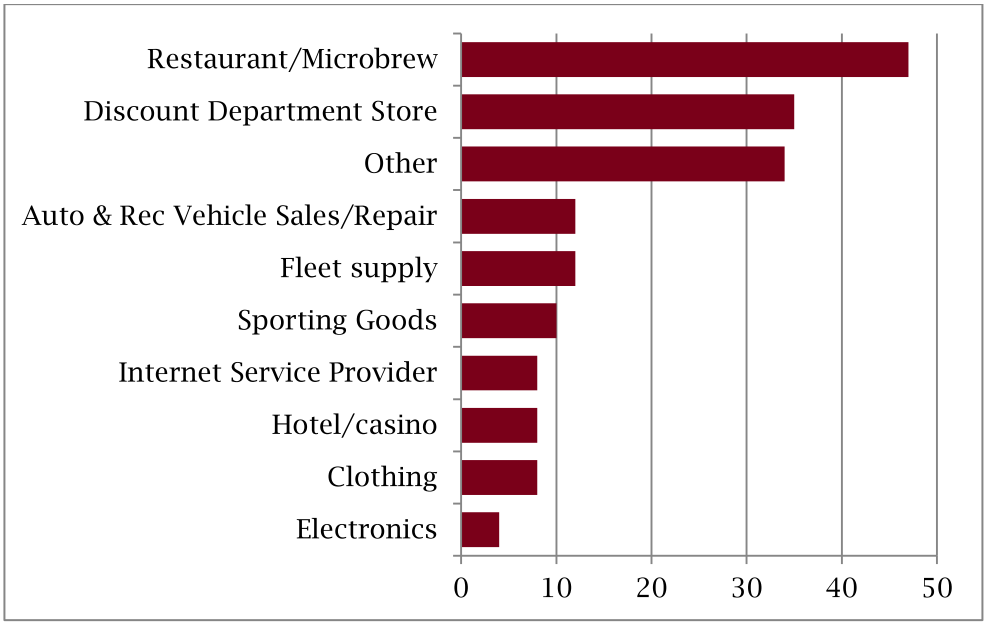
Although electronics and repair services rank high when asked about specifically as multiple choices, neither were top of mind when asked in an open-ended format. Some types of businesses mentioned which deserve special mention due to their specific format include fleet supply, craft or hobby supply, sporting goods related to hunting and water sports, and multiple suggestions that a casino/restaurant or similar attraction on the waterfront would fit well with the area's strengths.

Figure 47: Local US and Canadian respondent choice for new retail and service (n=143)



The suggestions from second homeowners about local business development somewhat mirrored the recommendations from local residents, with some exceptions, especially a restaurant or microbrew at the top of the list. Some seasonal residents, also mentioning a casino or waterfront hotel like local residents, seem to suggest a need for some type of attraction. Seasonal residents also ranked a discount department store high and gave the same relative raking to categories like recreational vehicle repair, fleet supply, and sporting goods.

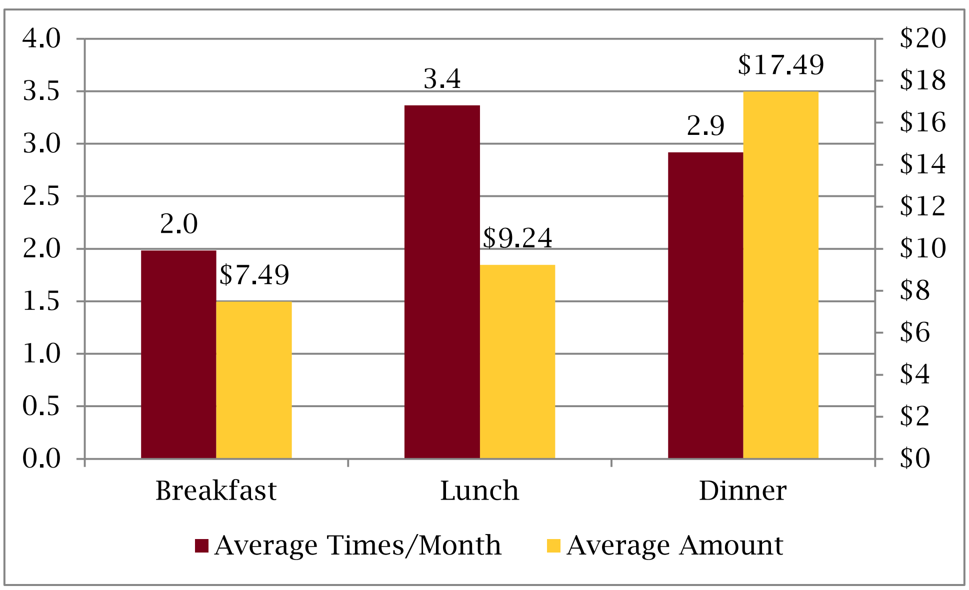
Figure 48: Second homeowner respondent choice for new retail and service by business type (n=181)



Dining Preferences and Habits

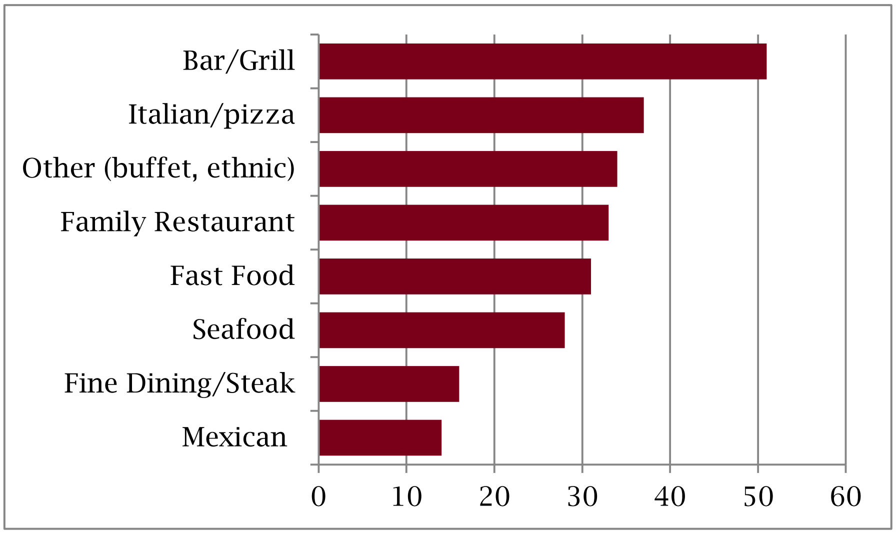
Considering the emphasis respondents and business owners placed on dining as a business development opportunity, the dining habits and cuisine preferences of respondents provide potential entrepreneurs good insights in the local customer base.

Figure 49: Average dining frequency and reasonable price per person by meal (n=148)



Survey respondents report going out most frequently for lunch—82 percent at least once per month—followed by dinner (Figure 49). Still, less than 20 percent of respondents report that they dine out for any meal weekly (4 times or more a month). Only eight percent of US respondents report that they dine at least weekly for breakfast, eighteen percent for lunch, and twelve percent for dinner. This may be related to the lack of places to dine which both US and Canadian consumers suggested in open-ended comments.

Figure 50: Number of mentions by US and Canadian residents for types of restaurant desired for International Falls Area (n=144)



Recommendations for Improvement of Shopping Districts

When the survey asked respondents to rank qualities shopping in the International Falls area to improve, the types of goods and services available was ranked highest, followed by customer service and quality of good and services (Table 6).

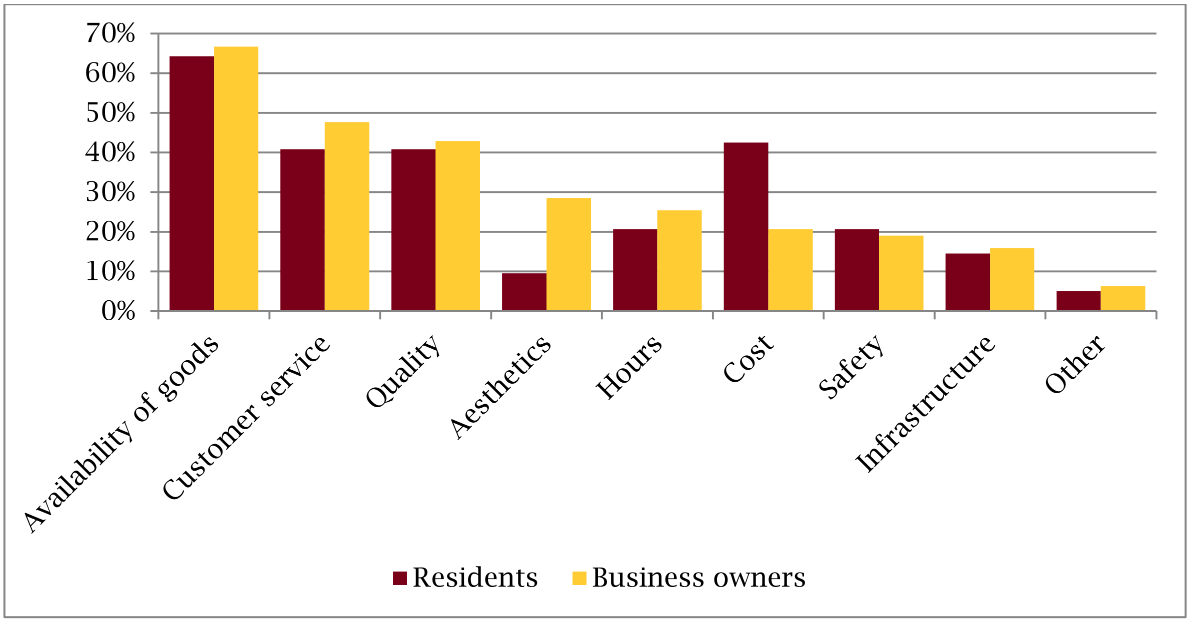
Table 6: Percentage of respondents ranking shopping improvements comparing residents (n=179) and business owners (n=63)

	Ranked #1	
	Resident	BusOwner
Availability	64%	67%
Customer service	41%	48%
Quality	41%	43%
Aesthetics	9%	29%
Hours	21%	25%
Cost	42%	21%
Safety	21%	19%
Infrastructure	15%	16%
Other	5%	6%

When comparing their responses, residents and business owners clearly agree on most of the needs to improve shopping in the area. Both residents and business owners ranked the availability of goods and services highest, followed by customer service and quality of goods and services (see Table 6). The two areas where opinions vary are aesthetics and cost, where nearly 30% of business owners ranked look of the shopping districts as most important to improve and over 40% of customers ranked cost as the highest.

Considering the importance placed on available and quality of good and services, concentration on business development to fill gaps is a top priority.

Figure 51: Percent of respondents giving improvement most important by residents (n=179) and business owners (n=63)



Canadian Customer Insights

An important segment of the local resident customer base is the Canadian shopper. Two-hundred of the 1,000 surveys sent to local residents went to a random sample of households in the Canadian portion of the study area (see Figure 3), primarily Fort Frances. However, Extension received only 23 responses from Canada for a 11.5% response rate, so care should be taken to not assume such a small sample accurately represents the whole population.

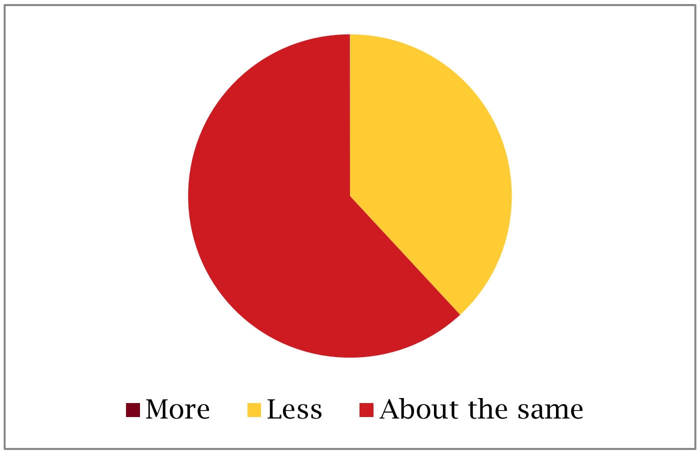
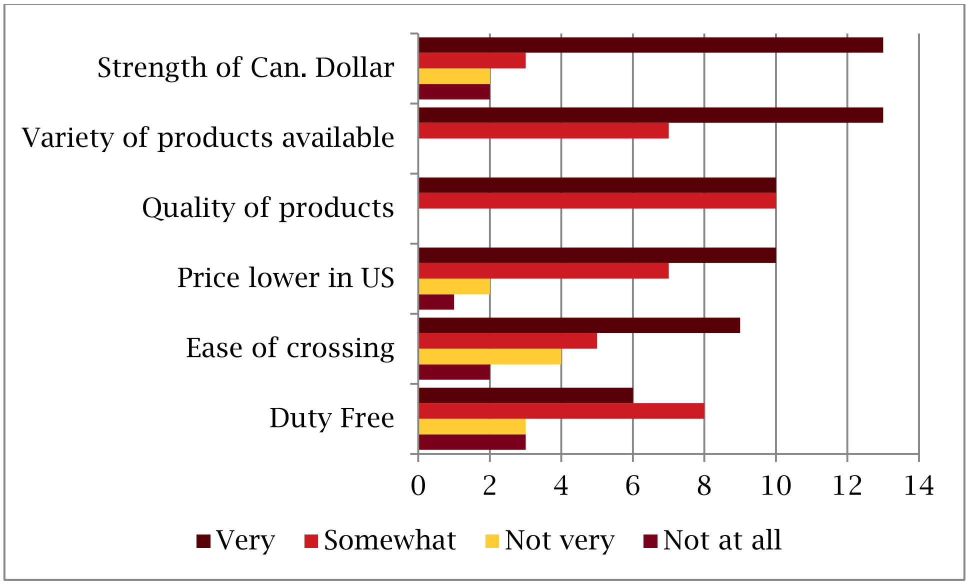


Figure 52: Frequency of crossing border in past 12 months (n=11)

With a population over 8,000, Canadians in the study area commonly travel across the border to shop in the International Falls area (see Figure 52). Our respondents report crossing an average of about twice a month (23 times annually) to shop in the International Falls area and their frequency of crossing has either not changed significantly. None of our respondents indicated that border crossing challenges were reasons for their changing their frequency of shopping.

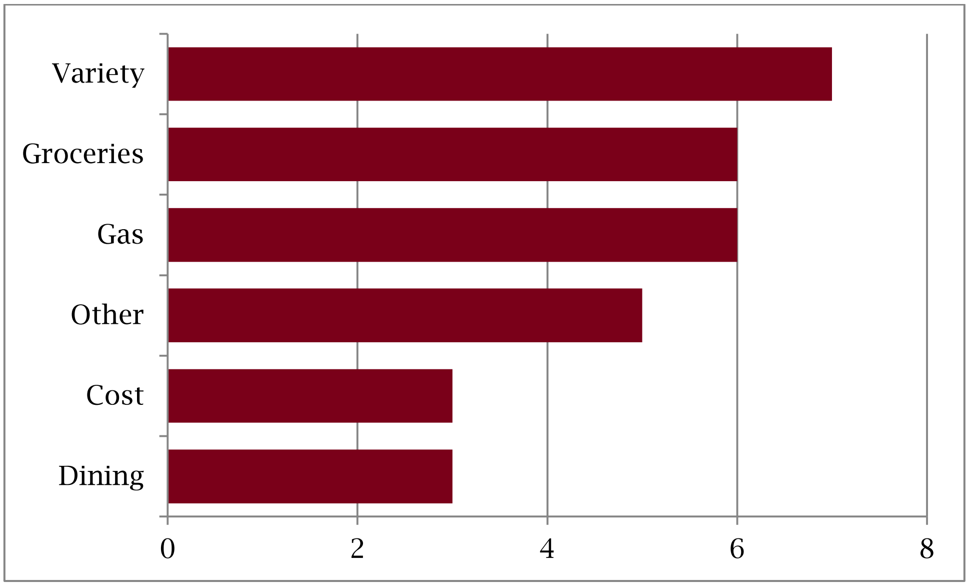
The primary factors which drove our respondents to shop in the International Falls area included the price (also related to the strength of the Canadian Dollar) and variety of products (see Figure 53).

Figure 53: Importance of reasons for driving cross-border shopping by number of Canadian respondents (n=20)



When asked about their primary non-work reasons for stopping the International Falls area, respondents reported variety and specific store categories such as gasoline and groceries (see Figure 54).

Figure 54: Non-work reasons for stopping in International Falls area by number of Canadian respondents (n=16)

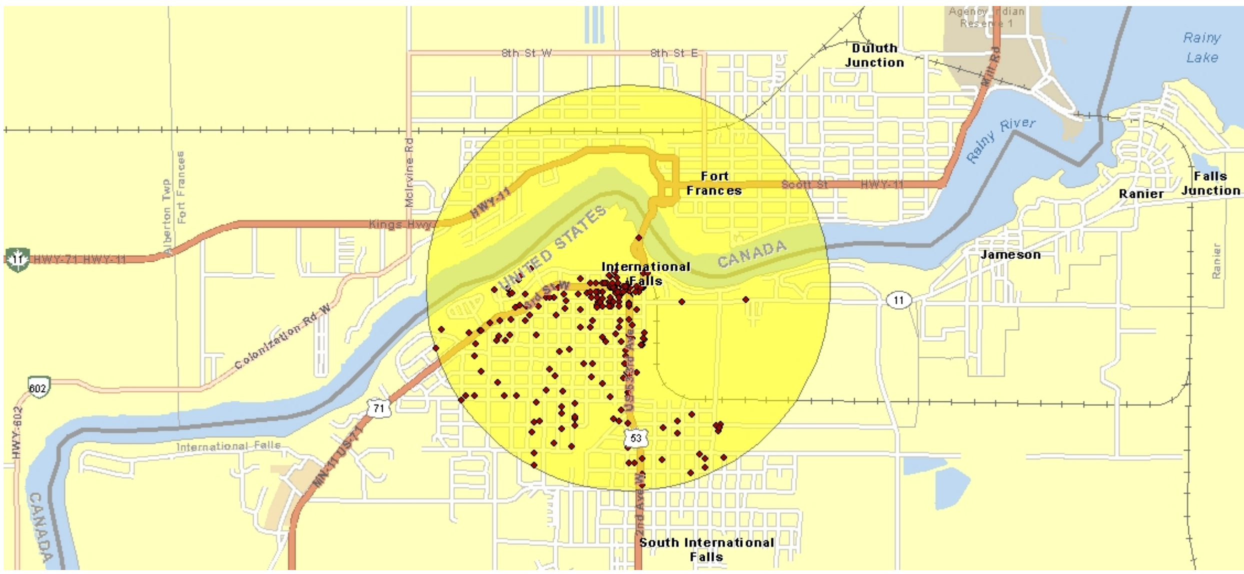


BUSINESS MIX ANALYSIS

The business mix analysis works by comparing the number of businesses in a community with averages from other similar-sized Minnesota communities. The average number of businesses within one-mile of the center of town for communities between 5,000 and 9,999 people is presented below for comparison (the full table is found in Appendix 4). Those business categories with less presence in International Falls should be considered priorities for development.

For the International Falls business mix analysis Extension catalogs all retail and service businesses within one mile of the center of downtown according to Dunn and Bradstreet database (see Figure 55).

Figure 55: Location of area used for US business mix analysis (1 mile radius from city center) with business locations.



After revising the database to improve accuracy, Extension compared the types of businesses in the one-mile radius to the average for non-urban communities in Minnesota in the same size category (see Table 7). Readers should understand, however, that national business databased commonly miss business operations and misclassify businesses in the community. Also, in regards to this analysis, the one mile radius may not incorporate all shopping districts in the community, however, this is the extent as which our current business mix benchmarks stand.

Having done this comparison, we find that International Falls has a niche in drinking establishments and mechanical repair, hosting more stores than the average. In contrast, some categories such as grocery, personal services, and clothing stores are not as present in the city's current mix of businesses as we find in other communities of a similar size. These gaps are potential opportunities for business development or expansion to better serve the full need of local and non-local customers.

For the sake of this project, the business mix is most useful to support the findings from customer and business owner surveys. In this respect, the business mix analysis supports the suggestions of needs for greater general merchandise and clothing in the community.

Table 7: Business mix within 1-mile of non-metro Minnesota city centers between 5,000-9.999 compared to International Falls businesses mix. Source: Dun and Bradstreet / InfoUSA databases

International Falls Based on D+B data within one mile of center		**Greater Minnesota Cities (5,000-9,999 pop)** Average of 27 downtowns	
Business type (by NAICS code)	*Count*	*Business type (by NAICS code)*	*Average number of businesses*
Beauty salons	7	Beauty salons	6.11
Automotive mechanical & electrical repair	6	Automotive mechanical & electrical repair	4.30
Grocery stores	2	Grocery stores	3.26
Other amusement (bowling, golf, fitness)	2	Other amusement (bowling, golf, fitness)	2.70
Automotive parts, accessories, & tire stores	3	Automotive parts, accessories, & tire stores	2.44
Used merchandise stores	2	Used merchandise stores	2.11
Other personal care services (tattoos, spas, piercing)	0	Other personal care services (tattoos, spas, piercing)	1.93
Specialized building material dealers	3	Specialized building material dealers	1.81
Beer, wine, & liquor stores	2	Beer, wine, & liquor stores	1.63
Florists	2	Florists	1.52
Family Clothing Store	1	Family Clothing Store	1.52
General merchandise stores	1	General merchandise stores	1.48
Pharmacies & drug stores	1	Pharmacies & drug stores	1.41
Gift, novelty, & souvenir stores	1	Gift, novelty, & souvenir stores	1.41
Drinking places (alcoholic beverages)	3	Drinking places (alcoholic beverages)	1.37

UNIVERSITY OF MINNESOTA EXTENSION

Market Profile

Final IFalls TA
Final IFalls TA

Prepared By Business Analyst Desktop

	Final IFalls TA
Population Summary	
2000 Total Population	14,303
2010 Total Population	13,441
2014 Total Population	13,271
2014 Group Quarters	238
2019 Total Population	13,176
2014-2019 Annual Rate	-0.14%
Household Summary	
2000 Households	6,042
2000 Average Household Size	2.32
2010 Households	5,917
2010 Average Household Size	2.23
2014 Households	5,921
2014 Average Household Size	2.20
2019 Households	5,912
2019 Average Household Size	2.19
2014-2019 Annual Rate	-0.03%
2010 Families	3,688
2010 Average Family Size	2.79
2014 Families	3,669
2014 Average Family Size	2.76
2019 Families	3,648
2019 Average Family Size	2.75
2014-2019 Annual Rate	-0.11%
Housing Unit Summary	
2000 Housing Units	8,220
Owner Occupied Housing Units	59.0%
Renter Occupied Housing Units	14.6%
Vacant Housing Units	26.5%
2010 Housing Units	8,516
Owner Occupied Housing Units	53.6%
Renter Occupied Housing Units	15.9%
Vacant Housing Units	30.5%
2014 Housing Units	8,641
Owner Occupied Housing Units	52.4%
Renter Occupied Housing Units	16.1%
Vacant Housing Units	31.5%
2019 Housing Units	8,687
Owner Occupied Housing Units	52.1%
Renter Occupied Housing Units	16.0%
Vacant Housing Units	31.9%
Median Household Income	
2014	$44,563
2019	$51,862
Median Home Value	
2014	$118,779
2019	$133,738
Per Capita Income	
2014	$25,111
2019	$28,321
Median Age	
2010	46.0
2014	47.2
2019	48.4

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 18, 2015

	Final IFalls TA
2014 Households by Income	
Household Income Base	5,921
<$15,000	15.2%
$15,000 - $24,999	14.6%
$25,000 - $34,999	11.1%
$35,000 - $49,999	12.9%
$50,000 - $74,999	19.5%
$75,000 - $99,999	13.4%
$100,000 - $149,999	10.0%
$150,000 - $199,999	1.4%
$200,000+	1.8%
Average Household Income	$56,217
2019 Households by Income	
Household Income Base	5,912
<$15,000	14.3%
$15,000 - $24,999	11.5%
$25,000 - $34,999	9.3%
$35,000 - $49,999	12.6%
$50,000 - $74,999	20.5%
$75,000 - $99,999	15.8%
$100,000 - $149,999	11.6%
$150,000 - $199,999	2.1%
$200,000+	2.3%
Average Household Income	$63,027
2014 Owner Occupied Housing Units by Value	
Total	4,527
<$50,000	15.3%
$50,000 - $99,999	25.7%
$100,000 - $149,999	23.8%
$150,000 - $199,999	14.3%
$200,000 - $249,999	7.5%
$250,000 - $299,999	3.4%
$300,000 - $399,999	5.5%
$400,000 - $499,999	2.2%
$500,000 - $749,999	1.5%
$750,000 - $999,999	0.3%
$1,000,000 +	0.3%
Average Home Value	$149,680
2019 Owner Occupied Housing Units by Value	
Total	4,524
<$50,000	10.1%
$50,000 - $99,999	22.7%
$100,000 - $149,999	25.5%
$150,000 - $199,999	17.2%
$200,000 - $249,999	8.3%
$250,000 - $299,999	5.0%
$300,000 - $399,999	6.2%
$400,000 - $499,999	2.4%
$500,000 - $749,999	1.8%
$750,000 - $999,999	0.6%
$1,000,000 +	0.2%
Average Home Value	$165,164

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 18, 2015

	Final IFalls TA
2010 Population by Age	
Total	13,440
0 - 4	4.8%
5 - 9	5.8%
10 - 14	6.3%
15 - 24	11.1%
25 - 34	9.0%
35 - 44	11.4%
45 - 54	16.5%
55 - 64	15.6%
65 - 74	10.3%
75 - 84	6.5%
85 +	2.7%
18 +	78.9%
2014 Population by Age	
Total	13,271
0 - 4	4.6%
5 - 9	5.3%
10 - 14	5.9%
15 - 24	11.3%
25 - 34	9.3%
35 - 44	10.7%
45 - 54	14.6%
55 - 64	17.1%
65 - 74	11.6%
75 - 84	6.5%
85 +	3.0%
18 +	80.4%
2019 Population by Age	
Total	13,176
0 - 4	4.7%
5 - 9	5.0%
10 - 14	5.4%
15 - 24	10.5%
25 - 34	9.7%
35 - 44	10.4%
45 - 54	12.9%
55 - 64	17.1%
65 - 74	13.9%
75 - 84	7.2%
85 +	3.1%
18 +	81.2%
2010 Population by Sex	
Males	6,686
Females	6,755
2014 Population by Sex	
Males	6,613
Females	6,658
2019 Population by Sex	
Males	6,572
Females	6,604

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

	Final IFalls TA
2010 Population by Race/Ethnicity	
Total	13,440
White Alone	91.8%
Black Alone	0.6%
American Indian Alone	5.1%
Asian Alone	0.3%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.2%
Two or More Races	2.0%
Hispanic Origin	1.2%
Diversity Index	17.5
2014 Population by Race/Ethnicity	
Total	13,270
White Alone	91.0%
Black Alone	0.9%
American Indian Alone	5.4%
Asian Alone	0.3%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.3%
Two or More Races	2.1%
Hispanic Origin	1.4%
Diversity Index	19.3
2019 Population by Race/Ethnicity	
Total	13,176
White Alone	90.7%
Black Alone	0.9%
American Indian Alone	5.5%
Asian Alone	0.3%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.3%
Two or More Races	2.1%
Hispanic Origin	1.5%
Diversity Index	19.7
2010 Population by Relationship and Household Type	
Total	13,441
In Households	98.2%
In Family Households	78.8%
Householder	27.3%
Spouse	21.1%
Child	26.5%
Other relative	1.6%
Nonrelative	2.4%
In Nonfamily Households	19.4%
In Group Quarters	1.8%
Institutionalized Population	1.1%
Noninstitutionalized Population	0.7%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 18, 2015

	Final IFalls TA
2014 Population 25+ by Educational Attainment	
Total	9,666
Less than 9th Grade	3.8%
9th - 12th Grade, No Diploma	6.6%
High School Graduate	31.3%
GED/Alternative Credential	4.7%
Some College, No Degree	25.9%
Associate Degree	9.7%
Bachelor's Degree	14.4%
Graduate/Professional Degree	3.6%
2014 Population 15+ by Marital Status	
Total	11,170
Never Married	23.2%
Married	55.0%
Widowed	9.3%
Divorced	12.5%
2014 Civilian Population 16+ in Labor Force	
Civilian Employed	91.6%
Civilian Unemployed	8.4%
2014 Employed Population 16+ by Industry	
Total	5,772
Agriculture/Mining	3.8%
Construction	8.5%
Manufacturing	18.8%
Wholesale Trade	1.1%
Retail Trade	10.6%
Transportation/Utilities	5.5%
Information	1.0%
Finance/Insurance/Real Estate	5.8%
Services	39.3%
Public Administration	5.6%
2014 Employed Population 16+ by Occupation	
Total	5,773
White Collar	45.7%
Management/Business/Financial	9.0%
Professional	14.3%
Sales	9.0%
Administrative Support	13.4%
Services	20.5%
Blue Collar	33.9%
Farming/Forestry/Fishing	1.2%
Construction/Extraction	9.0%
Installation/Maintenance/Repair	4.2%
Production	8.9%
Transportation/Material Moving	10.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 18, 2015

	Final IFalls TA
2010 Households by Type	
Total	5,918
Households with 1 Person	32.3%
Households with 2+ People	67.7%
Family Households	62.3%
Husband-wife Families	48.0%
With Related Children	14.9%
Other Family (No Spouse Present)	14.3%
Other Family with Male Householder	5.1%
With Related Children	3.2%
Other Family with Female Householder	9.2%
With Related Children	6.2%
Nonfamily Households	5.4%
All Households with Children	24.9%
Multigenerational Households	1.7%
Unmarried Partner Households	7.5%
Male-female	7.0%
Same-sex	0.5%
2010 Households by Size	
Total	5,919
1 Person Household	32.3%
2 Person Household	38.8%
3 Person Household	12.9%
4 Person Household	9.2%
5 Person Household	4.7%
6 Person Household	1.1%
7 + Person Household	1.0%
2010 Households by Tenure and Mortgage Status	
Total	5,917
Owner Occupied	77.1%
Owned with a Mortgage/Loan	43.2%
Owned Free and Clear	33.9%
Renter Occupied	22.9%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 18, 2015

DEP Market Profile Canada

TA_IFalls.zip
Area: 7,223.98 square kilometers

Prepared by Esri

Summary	
2010 Total Population	10,103
2015 Total Population	9,543
2020 Total Population	8,951
2015-2020 Annual Rate	-1.27%
2010 Households	4,256
2010 Average Household Size	2.33
2015 Households	4,245
2015 Average Household Size	2.21
2020 Households	4,269
2020 Average Household Size	2.06
2015-2020 Annual Rate	0.11%
2010 Families	2,894
2010 Average Family Size	2.90
2015 Families	2,726
2015 Average Family Size	2.87
2020 Families	2,426
2020 Average Family Size	2.82
2015-2020 Annual Rate	-2.30%
2010 Dwellings	4,256
Owned Dwellings	3,246
Rented Dwellings	959
Band Housing	52
2015 Dwellings	4,245
Owned Dwellings	3,296
Rented Dwellings	902
Band Housing	48
2020 Dwellings	4,269
Owned Dwellings	3,356
Rented Dwellings	869
Band Housing	44
Average Household Income	
2010	$75,997
2015	$82,776
2020	$92,195
Per Capita Income	
2010	$32,015
2015	$36,821
2020	$43,971
Median Age	
2010	42.65
2015	45.28
2020	51.05

Source: Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2015 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2015 Streetmap Premium Computer File(s), Copyright 2015 Esri.

December 21, 2015

TA_IFalls.zip
Area: 7,223.98 square kilometers

Prepared by Esri

2010 Households by Income	
Household Income Base	4,256
<$10,000	134
$10,000 - $19,999	434
$20,000 - $29,999	325
$30,000 - $39,999	357
$40,000 - $49,999	342
$50,000 - $59,999	337
$60,000 - $69,999	304
$70,000 - $79,999	312
$80,000 - $89,999	327
$90,000 - $99,999	280
$100,000 - $124,999	477
$125,000 - $149,999	333
$150,000 - $174,999	163
$175,000 - $199,999	62
$200,000 - $249,999	45
$250,000+	26
Average Household Income	$75,997
2015 Households by Income	
Household Income Base	4,245
<$10,000	121
$10,000 - $19,999	365
$20,000 - $29,999	321
$30,000 - $39,999	314
$40,000 - $49,999	323
$50,000 - $59,999	302
$60,000 - $69,999	299
$70,000 - $79,999	249
$80,000 - $89,999	302
$90,000 - $99,999	289
$100,000 - $124,999	521
$125,000 - $149,999	372
$150,000 - $174,999	255
$175,000 - $199,999	85
$200,000 - $249,999	66
$250,000+	61
Average Household Income	$82,776

2020 Households by Income	
Household Income Base	4,269
<$10,000	107
$10,000 - $19,999	299
$20,000 - $29,999	315
$30,000 - $39,999	267
$40,000 - $49,999	300
$50,000 - $59,999	274
$60,000 - $69,999	279
$70,000 - $79,999	258
$80,000 - $89,999	233
$90,000 - $99,999	275
$100,000 - $124,999	588
$125,000 - $149,999	386
$150,000 - $174,999	300
$175,000 - $199,999	187
$200,000 - $249,999	114
$250,000+	89
Average Household Income	$92,195
2010 Population by Age	10,103
0-4	512
5-9	556
10-14	618
15-19	756
20-24	580
25-34	1,086
35-44	1,238
45-54	1,699
55-64	1,333
65-74	798
75-84	607
85+	319
25-44	2,324
2015 Population by Age	9,543
0-4	430
5-9	483
10-14	519
15-19	659
20-24	623
25-34	936
35-44	1,088
45-54	1,398
55-64	1,545
65-74	960
75-84	565
85+	337
25-44	2,024

TA_IFalls.zip
Area: 7,223.98 square kilometers

Prepared by Esri

2020 Population by Age	8,951
0-4	335
5-9	374
10-14	417
15-19	528
20-24	520
25-34	818
35-44	824
45-54	1,101
55-64	1,708
65-74	1,304
75-84	640
85+	380
25-44	1,642
Population by Sex	
Males	
2010	4,908
2015	4,659
2020	4,372
Females	
2010	5,196
2015	4,884
2020	4,579
2010 Population 15+ by Mother Tongue	
Total Single Response	9,890
English	9,359
French	143
Total Non-Official	388
Multiple Languages	33
French & Non-Official	2
English & Non-Official	18
English & French	11
English & French & Non-Official	2
2010 Population 15+ by Ethnic Characteristics	
Immigration Status	
Non-immigrant population	9,317
Total immigrants by selected places of birth	554
Non-permanent residents	52
Visible Minority Status	
Visible Minority Chinese	13
Visible Minority South Asian	10
Visible Minority Black	27
Visible Minority Filipino	12
Visible Minority Latin American	6
Visible Minority Southeast Asian	20
Visible Minority Arab	0
Visible Minority West Asian	0
Visible Minority Korean	0
Visible Minority Japanese	3
Visible Minority All Other Visible Minorities	2
Visible Minority Multiple Visible Minorities	2

Source: Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2015 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2015 Streetmap Premium Computer File(s), Copyright 2015 Esri.

December 21, 2015

TA_IFalls.zip
Area: 7,223.98 square kilometers

Prepared by Esri

2015 Population 15+ by Mother Tongue	
Total Single Response	9,322
English	8,875
French	137
Total Non-Official	310
Multiple Languages	40
French & Non-Official	2
English & Non-Official	21
English & French	17
English & French & Non-Official	1
2015 Population 15+ by Ethnic Characteristics	
Immigration Status	
Non-immigrant population	8,834
Total immigrants by selected places of birth	473
Non-permanent residents	56
Visible Minority Status	
Visible Minority Chinese	16
Visible Minority South Asian	13
Visible Minority Black	32
Visible Minority Filipino	16
Visible Minority Latin American	2
Visible Minority Southeast Asian	23
Visible Minority Arab	0
Visible Minority West Asian	0
Visible Minority Korean	0
Visible Minority Japanese	3
Visible Minority All Other Visible Minorities	3
Visible Minority Multiple Visible Minorities	2
2020 Population 15+ by Mother Tongue	
Total Single Response	8,738
English	8,339
French	134
Total Non-Official	265
Multiple Languages	38
French & Non-Official	2
English & Non-Official	21
English & French	15
English & French & Non-Official	1

2020 Population 15+ by Ethnic Characteristics	
Immigration Status	
Non-immigrant population	8,297
Total immigrants by selected places of birth	424
Non-permanent residents	56
Visible Minority Status	
Visible Minority Chinese	15
Visible Minority South Asian	13
Visible Minority Black	30
Visible Minority Filipino	15
Visible Minority Latin American	3
Visible Minority Southeast Asian	25
Visible Minority Arab	0
Visible Minority West Asian	0
Visible Minority Korean	0
Visible Minority Japanese	3
Visible Minority All Other Visible Minorities	3
Visible Minority Multiple Visible Minorities	2

Source: Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2015 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2015 Streetmap Premium Computer File(s), Copyright 2015 Esri.

2015 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

Total expenditure: Total ($)	**$319,711,329**
Average Spent	$75,315
Spending Potential Index	100
Total current consumption: Total ($)	**$241,927,214**
Average Spent	$56,991
Spending Potential Index	102
Food: Total ($)	**$33,498,942**
Average Spent	$7,891
Spending Potential Index	107
Shelter: Total ($)	**$66,935,080**
Average Spent	$15,768
Spending Potential Index	100
Household Operation: Total ($)	**$17,870,024**
Average Spent	$4,210
Spending Potential Index	102
Household furnishings and equipment: Total ($)	**$8,371,866**
Average Spent	$1,972
Spending Potential Index	101
Clothing: Total ($)	**$14,124,613**
Average Spent	$3,327
Spending Potential Index	100
Transportation: Total ($)	**$49,807,932**
Average Spent	$11,733
Spending Potential Index	104
Health care: Total ($)	**$10,474,667**
Average Spent	$2,468
Spending Potential Index	108
Personal care: Total ($)	**$5,147,476**
Average Spent	$1,213
Spending Potential Index	100
Recreation: Total ($)	**$16,235,357**
Average Spent	$3,825
Spending Potential Index	101
Reading materials and other printed matter: Total ($)	**$778,078**
Average Spent	$183
Spending Potential Index	99

Source: Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2015 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2015 Streetmap Premium Computer File(s), Copyright 2015 Esri.

Education: Total ($)	**$6,051,329**
Average Spent	$1,426
Spending Potential Index	92
Tobacco products and alcoholic beverages: Total($)	**$5,691,456**
Average Spent	$1,341
Spending Potential Index	104
Games of chance (net): Total ($)	**$669,051**
Average Spent	$158
Spending Potential Index	97
Personal Taxes: Total ($)	**$51,444,821**
Average Spent	$12,119
Spending Potential Index	91
Personal insurance payments and pension contributions: Total ($)	**$18,170,703**
Average Spent	$4,280
Spending Potential Index	98
Gifts of money and contributions: Total ($)	**$8,168,595**
Average Spent	$1,924
Spending Potential Index	101

University of Minnesota
EXTENSION

Where do your customers live?

Another important aspect of understanding your customer base is knowing where they live. If you have a specific location and you know where your customers live, you get a better idea of how commuting patterns, competitive locations, etc. may play a role in who comes to your location. Additionally, if you are interested in reaching your customers for a targeted marketing mail campaign, knowing where they live allows you to target your marketing message to specific geographic areas rather than distributing them across the entire market.

Esri further analyzed customer records and created the *Customer Geographic Summary*. You can use this report to see where most of your current customers are located. This report *summarizes* your customer records at the state, county, ZIP Code, Core Based Statistical Areas (CBSA) levels to find your top 20 geographic areas. Each record is assigned to the state, county, ZIP Code, Core Based Statistical Areas (CBSA) according to a point-in-polygon approach from the record's latitude and longitude. See the Locator (LOC_NAME) field in the output file to view the qualities of the latitude and longitude. Each geographic level is analyzed according to the record count and the percentages. Records that cannot be matched are noted at the end of each section.

This report shows you the geographic areas and percentages where most of your customers are located, ranked top to bottom according to the numbers of customers in each area. Now, you can begin to see where you should concentrate your organization and marketing planning efforts!

The state with the highest number of customers is Minnesota (76.35%) of your customer base. When you look at other levels of geography, you find that the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area CBSA (Core Based Statistical Areas) has the highest percentage of customers (35.86%). You should further review the list to identify other top concentrations of your customers and look at these potential opportunities.

The geographic summary displays the top 20 states, counties, ZIP Codes and CBSAs in rank order.

A. 807 (76.35%) of your records are in the state of Minnesota (27).

B. 94 (8.89%) of your records are in St. Louis County, MN county. The number after the county (27137) is county FIPS code.

C. Records that cannot be matched at the designated level are noted at the bottom of each section.

D. 28 (2.65%) of your records are in Bemidji ZIP Code 56601. The top-ranked ZIP Code.

E. In addition of the top 20 ZIP Codes, there are 852 'Other ZIP Codes' represented in your customer database (80.61% of all records).

F. 379 (35.86%) of your records are located within the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area (33460) Metropolitan Area.

Top 20 States

A

Name	Count	Percent
Minnesota (27)	807	76.35
Illinois (17)	41	3.88
Iowa (19)	25	2.37
Wisconsin (55)	23	2.18
Florida (12)	20	1.89
California (06)	14	1.32
Arizona (04)	13	1.23
Alaska (02)	12	1.14
Texas (48)	11	1.04
Colorado (08)	10	0.95
North Dakota (38)	7	0.66
Indiana (18)	6	0.57
Ohio (39)	5	0.47
Nevada (32)	4	0.38
Missouri (29)	4	0.38
Washington (53)	4	0.38
South Dakota (46)	4	0.38
Tennessee (47)	4	0.38
Wyoming (56)	3	0.28
Oklahoma (40)	3	0.28
Other States	37	3.50
Non-geocoded Records	0	0.00

Top 20 Counties

B

Name	Count	Percent
St. Louis County, MN (27137)	94	8.89
Hennepin County, MN (27053)	85	8.04
Ramsey County, MN (27123)	66	6.24
Itasca County, MN (27061)	52	4.92
Anoka County, MN (27003)	47	4.45
Dakota County, MN (27037)	34	3.22
Stearns County, MN (27145)	32	3.03
Beltrami County, MN (27007)	31	2.93
Wright County, MN (27171)	30	2.84
Washington County, MN (27163)	27	2.55
Chisago County, MN (27025)	25	2.37
Crow Wing County, MN (27035)	21	1.99
Scott County, MN (27139)	19	1.80
Cook County, IL (17031)	17	1.61
Morrison County, MN (27097)	17	1.61
Carlton County, MN (27017)	16	1.51
Koochiching County, MN (27071)	16	1.51
Sherburne County, MN (27141)	14	1.32
Olmsted County, MN (27109)	13	1.23
Roseau County, MN (27135)	13	1.23
Other Counties	388	36.71
Non-geocoded Records	0	0.00

C

Top 20 ZIP Codes

D

Name	Count	Percent

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019

56601 Bemidji, MN	28	2.65
55744 Grand Rapids, MN	20	1.89
55792 Virginia, MN	15	1.42
55746 Hibbing, MN	14	1.32
56661 Northome, MN	10	0.95
55811 Duluth, MN	9	0.85
56623 Baudette, MN	9	0.85
55721 Cohasset, MN	9	0.85
55303 Anoka, MN	9	0.85
55127 Saint Paul, MN	8	0.76
56401 Brainerd, MN	8	0.76
55109 Saint Paul, MN	8	0.76
56345 Little Falls, MN	8	0.76
55372 Prior Lake, MN	8	0.76
55720 Cloquet, MN	8	0.76
55044 Lakeville, MN	8	0.76
55110 Saint Paul, MN	7	0.66
55358 Maple Lake, MN	7	0.66
55106 Saint Paul, MN	6	0.57
55448 Minneapolis, MN	6	0.57
Other ZIP Codes (E)	852	80.61
Records with no ZIP Code	0	0.00

Top 20 CBSAs

F

Name	Count	Percent
Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area (33460)	379	35.86
Duluth, MN-WI Metropolitan Statistical Area (20260)	112	10.60
St. Cloud, MN Metropolitan Statistical Area (41060)	40	3.78
Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (16980)	31	2.93
Bemidji, MN Micropolitan Statistical Area (13420)	31	2.93
Brainerd, MN Micropolitan Statistical Area (14660)	30	2.84
Rochester, MN Metropolitan Statistical Area (40340)	22	2.08
Fergus Falls, MN Micropolitan Statistical Area (22260)	12	1.14
Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area (38060)	8	0.76
Faribault-Northfield, MN Micropolitan Statistical Area (22060)	8	0.76
San Diego-Carlsbad, CA Metropolitan Statistical Area (41740)	7	0.66
Owatonna, MN Micropolitan Statistical Area (36940)	6	0.57
Red Wing, MN Micropolitan Statistical Area (39860)	6	0.57
Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area (19100)	5	0.47
Fargo, ND-MN Metropolitan Statistical Area (22020)	5	0.47
Anchorage, AK Metropolitan Statistical Area (11260)	4	0.38
Indianapolis-Carmel-Anderson, IN Metropolitan Statistical Area (26900)	4	0.38
Des Moines-West Des Moines, IA Metropolitan Statistical Area (19780)	4	0.38
Mankato-North Mankato, MN Metropolitan Statistical Area (31860)	3	0.28
Albert Lea, MN Micropolitan Statistical Area (10660)	3	0.28
Other CBSAs	146	13.81
Records not in an CBSAs	191	18.07

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019

APPENDIX 4

Business Mix Analysis

International Falls

A business mix analysis compares the types of buinesses in a community to comparable communities to identify potential retail gaps. The average number of businesses in the comparison group between 5,000-9,999 in population come from a 2014 study called *Retail and Service Mix of Minnesota Downtowns* : http://www.extension.umn.edu/community/research/reports/docs/2014-Business-Mix-Report.pdf

NAICS	Name	No. of Businesses in 1 mile area	Average No. of Businesses in study group
44111000	New car dealers	2	0.78
44112000	Used car dealers	0	1.11
44121000	Recreational vehicle dealers	0	0.26
44122000	Motorcycle, boat, & other motor vehicles	0	0.70
44130000	Automotive parts, accessories, & tire stores	3	2.44
44210000	Furniture stores	2	0.89
44220000	Home furnishings stores	0	1.22
44311000	Appliance, television, & other electronics stores	0	-
44312000	Computer & software stores	1	-
44313000	Camera & photographic supplies stores	0	-
44411000	Home centers	2	0.37
44412000	Paint & wallpaper stores	0	0.33
44413000	Hardware stores	1	0.93
44419000	Specialized building material dealers	0	1.81
44420000	Lawn & garden equipment & supplies stores	0	0.44
44510000	Grocery stores	2	3.26
44520000	Specialty food stores	0	0.89
44530000	Beer, wine, & liquor stores	2	1.63
44611000	Pharmacies & drug stores	1	1.41
44612000	Cosmetics, beauty supplies, perfume stores	0	0.44
44613000	Optical goods stores	1	0.81
44619000	Other health care (vitamin, medical equip)	0	1.30
44710000	Gasoline stations	3	1.04
44811000	Men's clothing stores	1	0.30
44812000	Women's clothing stores	2	0.85
44813000	Children's & infants' clothing stores	0	0.48
44814000	Family clothing stores	1	1.52
44815000	Clothing accessories stores	0	0.37
44819000	Specialized clothing stores (dress, etc)	1	0.78
44821000	Shoe stores	1	1.22
44831000	Jewelry stores	2	1.00
44832000	Luggage & leather goods stores	0	0.04
45111000	Sporting goods stores	1	1.33
45112000	Hobby, toy, & game stores	1	0.41
45113000	Sewing, needlework, & piece goods stores	1	0.26
45114000	Musical instrument & supplies stores	0	0.33

Business Mix Analysis

International Falls

UNIVERSITY OF MINNESOTA
EXTENSION

NAICS	Name			No. of Businesses in 1 mile area	Average No. of Businesses in study group
45121000	Book Stores			0	0.41
45122000	Tape, compact disc, & record stores			0	-
45200000	General merchandise stores			1	1.48
45310000	Florists			2	1.52
45321000	Office supplies & stationery stores			0	0.41
45322000	Gift, novelty, & souvenir stores			1	1.41
45330000	Used merchandise stores			2	2.11
45391000	Pet & pet supplies stores			0	0.22
45392000	Art dealers			0	0.37
45399000	Miscellaneous store retailers			4	-
51213000	Motion picture & video exhibition			1	0.59
53210000	Automotive equipment rental & leasing			0	0.81
53222000	Formal wear & costume rental			0	0.04
53223000	Video tape & disc rental			0	0.7
53230000	General rental centers			0	0.3
54192000	Photographic services			2	1.15
71310000	Amusement parks & arcades			0	0.04
71390000	Other amusement (bowling, golf, fitness)			2	2.7
72210000	Full-service restaurants			4	-
72220000	Limited-service eating places			5	-
72240000	Drinking places (alcoholic beverages)			3	1.37
81111000	Automotive mechanical & electrical repair			6	4.3
81112000	Automotive body, paint, interior, & glass			1	1.37
81119000	Other automotive repair & maintenance			0	0.93
81141000	Home/garden equipment & appliance repair			0	0.63
81142000	Reupholstery & furniture repair			0	0.22
81143000	Footwear & leather goods repair			0	0.07
81149000	Personal goods repair (watch, boat, garment)			0	0.48
81211100	Barber shops			0	0.93
81211200	Beauty salons			7	6.11
81211300	Nail salons			1	0.59
81219000	Other personal care services (tatoos, spas, piercing)			0	1.93
81231000	Coin-operated laundries & drycleaners			0	0.19
81232000	Drycleaning & laundry (except coin-operated)			0	0.44
81291000	Pet care (except veterinary) services			0	0.85

APPENDIX 5: US Local Resident Survey Instrument

UNIVERSITY OF MINNESOTA

University of Minnesota Extension

Regional Office, Cloquet

179 University Road
Cloquet, MN 55720

Office: 218-726-6464
Toll Free: 888-241-0724
Fax: 218-726-6499
rccloquet@umn.edu
www.extension.umn.edu

September 8, 2015

You have been randomly selected to participate in a study of your local shopping habits in the International Falls area and surrounding cities and townships. The purpose of the survey is to create a profile of local customers, their shopping habits, and their preferences. Local and outside businesses, entrepreneurs, and community members will be able to utilize the findings to make meaningful, effective, and profitable business decisions in the area.

We sincerely hope that you will take about 15 minutes of your time to complete the survey and return it in the envelope provided by **September 25.**

University of Minnesota Extension is collaborating with local and county partners on this research project. Please contact any of the project staff list below with any questions you may have.

Confidentiality: The records from this survey will be kept private. We will publish only summary results in any sort of report and no information will be included which will identify individual respondents in the report. All records will be stored securely and only the researchers will have access to those records.

Voluntary Nature of Study: Participation in this survey is voluntary. Your decision to participate or not will not affect your current or future relations with the University of Minnesota or other project sponsors. If you decide to participate, you are free to not answer any question.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researchers, you are encouraged to contact the Research Subjects' Advocate Line, D528 Mayo, 420 Delaware St. Southeast, Minneapolis, Minnesota 55455; (612) 625-1650.

Sincerely,

John Bennett
Extension Educator
Cloquet Regional Office
University of MN Extension
jbennett@umn.edu

Ryan Pesch
Extension Educator
Moorhead Regional Office
University of MN Extension
pesch@umn.edu

CONSUMER SURVEY: CURRENT SHOPPING HABITS

1. What are the two biggest non-work reasons for you to stop and shop in the International Falls area? (specific establishment, attraction, or activity)

a. ________________________ b.________________________

2. How often do you eat out each month and what do you consider a reasonable cost per meal per person?

For breakfast?	________ times per month	$ ________ per meal
For lunch?	________ times per month	$ ________ per meal
For dinner?	________ times per month	$ ________ per meal

3. Where do you currently shop for goods and services?

To understand opportunities for business development in the International Falls area, we would like to know about where you currently shop for goods and services. Please estimate how much of your household's spending is in the International Falls area, communities outside of the region, and online. Each row should add to 100%.

Convenience Goods and Services: ***Think about your spending on goods and services each month***

Spending category		*Percentage spent in International Falls area*	*Percentage spent in communities outside of the International Falls area*	*Percentage spent online (via internet)*
a. Groceries	□ I do not purchase	___%	___%	___%
b. Alcoholic beverages	□ I do not purchase	___%	___%	___%
c. Restaurants	□ I do not purchase	___%	___%	___%
d. Gasoline and motor oil	□ I do not purchase	___%	___%	___%
e. Housekeeping supplies (cleaning supplies, household products)	□ I do not purchase	___%	___%	___%
f. Drugs and pharmacy	□ I do not purchase	___%	___%	___%
g. Medical Supplies	□ I do not purchase	___%	___%	___%
h. Clothing/Apparel	□ I do not purchase	___%	___%	___%
i. Insurance	□ I do not purchase	___%	___%	___%
j. Gifts given	□ I do not purchase	___%	___%	___%
k. Electronics	□ I do not purchase	___%	___%	___%
l. Hardware	□ I do not purchase	___%	___%	___%
m. Personal Services (haircare, nails, laundry services)	□ I do not purchase	___%	___%	___%
n. Auto maintenance and repairs	□ I do not purchase	___%	___%	___%
o. Home maintenance services (lawn care,	□ I do not purchase	___%	___%	___%
p. Entertainment / recreation	□ I do not purchase	___%	___%	___%

← Each row adds up to 100%

Destination Goods and Services: ***Think about your spending on the following goods and services in the past year***

Category		*Percentage spent in International Falls area*	*Percentage spent in communities outside of the International Falls area*	*Percentage spent online (via internet)*
a. Furniture	□ I did not purchase	___%	___%	___%
b. Lumber and building materials	□ I did not purchase	___%	___%	___%
c. New or used vehicles	□ I did not purchase	___%	___%	___%
d. Appliances	□ I did not purchase	___%	___%	___%

4. Have you shopped in the following communities outside of the International Falls area?

Community	Have you shopped in this community in the past 12 months? *(check one)*	If yes, how many times in the past 12 months have you shopped in this community?	Which stores do you frequent when you shop in this community?
Duluth Area	❑ Yes ❑ No		
Iron Range Cities	❑ Yes ❑ No		
Twin Cities Metro	❑ Yes ❑ No		
Bemidji Area	❑ Yes ❑ No		
Fort Frances	❑ Yes ❑ No		

WHAT YOU WANT

5. Which of the following businesses types would you most likely patronize if more were developed in the International Falls area? *(check all that apply)*

❑ Professional services (tax, accounting or law services)
❑ Repair services
❑ Personal services (barber, salon, nail salon)
❑ Electronics store
❑ Grocery
❑ Other ________________
❑ Other________________

6. What two restaurants or types of cuisine would you most like to see located in International Falls region?

a. ____ b. ____

7. Name two businesses or types of business you would most like to see come to International Falls:

a. ____ b. ____

8. Please rank the top three issues to improve International Falls and surrounding communities as a place to shop: *(Check ONE for each)*

	Most Important *(Please check one)*	2nd Most Important *(Please check one)*	3rd Most Important *(Please check one)*
Goods and services available	❑	❑	❑
Aesthetics or 'look' of shopping area	❑	❑	❑
Public infrastructure (e.g. streets, lighting, signage)	❑	❑	❑
Public safety	❑	❑	❑
Customer service	❑	❑	❑
Quality of goods	❑	❑	❑
Cost of goods	❑	❑	❑
Hours of operation	❑	❑	❑
Other(specify________________________)	❑	❑	❑

ABOUT YOU

9. How old are you? ____ years

10. Gender ❑ Male ❑ Female

11. How many people live in your household? _________

11a. How many under 18 years of age? _________

12. Education *(Check one)* ❑ Did not complete high school or GED ❑ High school diploma or GED
❑ Some college/no degree ❑ Associate's degree ❑ Bachelor's degree
❑ Professional/graduate degree

13. Employment Status *(Check one)* ❑ Employed ❑ Unemployed ❑ Retired

14. Household Income: *(Check one)*
❑ less than $14,999 ❑ $15,000 - $39,999 ❑ $40,000 - $69,999
❑ $70,000 - $99,999 ❑ $100,000 - $149,999 ❑ Over $150,000

15. Please provide any additional comments to help our efforts to make International Falls a good place to live and do business:

APPENDIX 6: Canadian Local Resident Survey Instrument

WHERE YOU SHOP AND CURRENT SHOPPING HABITS

1. How many times in the past 12 months have you driven across the border to shop in the US? ________

1a. How many times to shop in the International Falls area? ___________

2. Compared to 12 months ago, do you shop in the US more often, less often, or about the same? *(Check one)*

❑ More often ❑Less often ❑ About the same

2a. If 'Less often', have border crossing challenges been a factor? *(Check one)*

❑Yes ❑ No

2b. If 'Yes', what has been your biggest border crossing challenge? ______________________

3. What are the two biggest non-work reasons for you to stop and shop in the International Falls area? (specific establishment, attraction, or activity)

a. _______________________________________ b._____________________________________

4. Where do you currently shop for goods and services?

To understand opportunities for business development in the International Falls area, we would like to know about where you currently shop for goods and services. Please estimate how much of your household's spending is in the International Falls area, communities outside of the region, and online. Each row should add to 100%.

Convenience Goods and Services: ***Think about your spending on goods and services each month***

Spending category		*Percentage spent in International Falls area*	*Percentage spent in Canada or US outside of the International Falls area*	*Percentage spent online (via internet)*
a. Groceries	□ I do not purchase	___%	___%	___%
b. Alcoholic beverages	□ I do not purchase	___%	___%	___%
c. Restaurants	□ I do not purchase	___%	___%	___%
d. Gasoline and motor oil	□ I do not purchase	___%	___%	___%
e. Housekeeping supplies (cleaning supplies, household	□ I do not purchase	___%	___%	___%
f. Drugs/pharmacy	□ I do not purchase	___%	___%	___%
g. Medical Supplies	□ I do not purchase	___%	___%	___%
h. Clothing/Apparel	□ I do not purchase	___%	___%	___%
i. Insurance	□ I do not purchase	___%	___%	___%
j. Gifts for others	□ I do not purchase	___%	___%	___%
k. Electronics	□ I do not purchase	___%	___%	___%
l. Hardware	□ I do not purchase	___%	___%	___%
m. Personal Services (haircare, nails, laundry services)	□ I do not purchase	___%	___%	___%
n. Auto maintenance and repairs	□ I do not purchase	___%	___%	___%
o. Home maintenance services (lawn care,	□ I do not purchase	___%	___%	___%
p. Entertainment / recreation	□ I do not purchase	___%	___%	___%

← Each row adds up to 100%

Destination Goods and Services: ***Think about your spending on the following goods and services in the past year***

Category		*Percentage spent in International Falls area*	*Percentage spent outside of the International Falls area*	*Percentage spent online (via internet)*
a. Furniture	□ I did not purchase	___%	___%	___%
b. Lumber and building materials	□ I did not purchase	___%	___%	___%
c. New or used vehicles	□ I did not purchase	___%	___%	___%
d. Appliances	□ I did not purchase	___%	___%	___%

5. Have you shopped in the following communities outside of the International Falls area?

Community	Have you shopped in this community in the past 12 months? *(check one)*	If yes, how many times in the past 12 months have you shopped in this community?	Which stores do you frequent when you shop in this community?
Duluth Area	❑ Yes ❑ No		
Iron Range Cities	❑ Yes ❑ No		
Twin Cities Metro	❑ Yes ❑ No		
Bemidji Area	❑ Yes ❑ No		
Fort Frances	❑ Yes ❑ No		

6. How important are the following reasons why you choose to shop across the border? *(check one)*

	Not at all important	Not very important	Somewhat important	Very important
Duty free rules	❑	❑	❑	❑
Prices are lower in US	❑	❑	❑	❑
Variety of products available in US	❑	❑	❑	❑
Strength of Canadian dollar	❑	❑	❑	❑
Ease of crossing the border	❑	❑	❑	❑
Quality of products available in US	❑	❑	❑	❑

WHAT YOU WANT

7. Which of the following businesses types would you most likely patronize if one or more were developed in the International Falls area? *(check all that apply)*

❑ Professional services (tax, accounting or law services)

❑ Repair services

❑ Personal services (barber, salon, nail salon)

❑ Electronics store

❑ Grocery ______________

❑ Other ________________

❑ Other________□______

8. What two restaurants or types of cuisine would you most like to see located in the US International Falls area?

a. ______________________ b. ______________________

9. Name two businesses or types of business you would most like to see come to the US International Falls area:

a. ______________________ b. ______________________

10. Please rank the top three issues to improve the International Falls area for shopping:
(*Check ONE for each*)

	Most Important *(Please check one)*	2nd Most Important *(Please check one)*	3rd Most Important *(Please check one)*
Goods and services available	❑	❑	❑
Aesthetics or 'look' of shopping area	❑	❑	❑
Public infrastructure (e.g. streets, lighting, signage)	❑	❑	❑
Public safety	❑	❑	❑
Customer service	❑	❑	❑
Quality of goods	❑	❑	❑
Cost of goods	❑	❑	❑
Hours of operation	❑	❑	❑
Other(specify____________)	❑	❑	❑

ABOUT YOU

11. How old are you? ____ years

12. Gender ❑ Male ❑ Female

13. How many people live in your household? _________

13a. How many under 18 years of age? _________

14. Education *(Check one)*
❑ Did not complete high school or GED
❑ High school diploma or GED
❑ Some college/no degree
❑ Associate's degree
❑ Bachelor's degree
❑ Professional/graduate degree

15. Employment Status *(Check one)* ❑ Employed ❑ Unemployed ❑ Retired

16. Household Income: *(Check one)*
❑ less than $14,999
❑ $15,000 - $39,999
❑ $40,000 - $69,999
❑ $70,000 - $99,999
❑ $100,000 - $149,999
❑ Over $150,000

Please provide any additional comments to help our efforts to make International Falls a good place to live and do business:

APPENDIX 7: Second Homeowner Survey Instument

SECOND HOMEOWNER SURVEY: SERVICES & AMENITIES
Please rate the quality of the following community services and amenities near your second home:
(Check one response for each service listed)

	POOR	ADEQUATE	NO OPINION or DOESN'T APPLY	GOOD	EXCELLENT
Police Protection	❑	❑	❑	❑	❑
Fire Protection	❑	❑	❑	❑	❑
Ambulance Service	❑	❑	❑	❑	❑
Road Maintenance	❑	❑	❑	❑	❑
Snow Removal	❑	❑	❑	❑	❑
Lake & Stream Water Quality	❑	❑	❑	❑	❑
Sanitary Sewers	❑	❑	❑	❑	❑
Storm Sewers	❑	❑	❑	❑	❑
Parks & Recreation	❑	❑	❑	❑	❑
Waste Management	❑	❑	❑	❑	❑
Library Services	❑	❑	❑	❑	❑
Trails	❑	❑	❑	❑	❑
Internet	❑	❑	❑	❑	❑
Healthcare Services	❑	❑	❑	❑	❑
Local Retail	❑	❑	❑	❑	❑

CURRENT USE
How long have you owned this second home property? _____ years

What is the current use of your second home property? *(Please check all that apply)*
❑Owner use ❑ Full time rental ❑Part time rental ❑ Shared use with others or family (How many people outside your household do you share with? ______) ❑Other *(specify)*:_________________________

Please estimate the total number of days each month that your household occupied your second home during the past year:

January: ___ days	May: ___ days	September: ___ days
February: ___ days	June: ___ days	October: ___ days
March: ___ days	July: ___ days	November: ___ days
April: ___ days	August: ___ days	December: ___ days

Do you telework *(work remotely via internet)* **from your second home?** ❑ No ❑ Yes

LOCATION DECISION
What were the main reasons you bought your property in this area? *(Please check all that apply)*
❑ No purchase/I inherited ❑ Proximity to recreation ❑ Friendliness of locals
❑ Lake & stream water quality ❑ Peaceful setting ❑ Safe and secure location
❑ Local living costs ❑ Potential for rental income ❑ Place for retirement
❑ Climate ❑ Scenic beauty ❑ Small town atmosphere
❑ Proximity to friends or family ❑ Investment potential ❑ Property by the lake
❑ Lower property purchase cost than other areas ❑ Availability of properties in area
❑ Lower property taxes than other areas ❑ Family has a long tie to the area

FUTURE PLANS
How do you expect your frequency of use of your second home property will change in the next five years? *(Check one response)* ❑ Increase ❑ Stay the same ❑ Decrease

Do you plan any of following major changes to your second home property in the next five years? *(Check all that apply)*
❑ Renovation of the property ❑ Selling the property ❑ Renting out property at least part time

Do you plan to move permanently to your second home? *(Check one response)*
❑ No ❑ Yes ❑ Undecided

If 'Yes', when do you plan to make the move? *(Check one response)*
❑ Next 12 months ❑ 1-5 years ❑ 6-10 years ❑ More than 10 years ❑ Not Sure

EXPERIENCE, SKILLS & KNOWLEDGE
Are you active in your primary home community in any of the following ways? Are you active in your 2nd home community or would you consider being active there?

(Check all that apply for both communities.)	Active in my Primary Home Community	Active in my 2nd Home Community	I am not active but would consider being active in my 2nd Home Community
a. Belong to a community, church, school, civic, or other type of group or organization	❑	❑	❑
b. Volunteer your time for any such organizations	❑	❑	❑
c. Hold a leadership role in any such organizations	❑	❑	❑
d. Hold public office or serve on a government board or committee in your local community	❑	❑	❑
e. Donate money to local community organizations, charities, or causes in your local community	❑	❑	❑

Have you owned, operated, or played a significant management role in a business? *(Check one response)* ❑ Yes ❑ No

If 'Yes', would you consider establishing a new business or relocating/opening a branch of an existing business in your 2nd home community? *(Check one response)* ❑ Yes ❑ No

YOUR IMPACT ON THE LOCAL ECONOMY
Local businesses are interested in how to better to serve you when at your second home. Sometimes second homeowners bring goods from their primary residence or purchase them en route to their second home. Think about your spending in the following categories of goods and services for use when at your second home and where you purchase them. If you purchase any of these goods or services for use at your second home, please estimate how much of your spending is in the International Falls area and how much is from your primary residence, en route, or online. If you check "I do not purchase for use at second home," skip the percentage columns.

Convenience Goods:

Spending category		**Percentage purchased at primary residence, en route, or online for use when at second home**	**Percentage purchased in the International Falls area for use when at second home**
a. Groceries	☐ I do not purchase for use at second home	____%	____%
b. Alcoholic beverages	☐ I do not purchase for use at second home	____%	____%

c. Gasoline and motor oil	□ I do not purchase for use at second home	____%	____%
d. Housekeeping supplies	□ I do not purchase for use at second home	____%	____%
e. Drugs and pharmacy	□ I do not purchase for use at second home	____%	____%
f. Medical Supplies	□ I do not purchase for use at second home	____%	____%
g. Clothing/Apparel	□ I do not purchase for use at second home	____%	____%
h. Insurance	□ I do not purchase for use at second home	____%	____%
i. Gifts for others	□ I do not purchase for use at second home	____%	____%
j. Electronics	□ I do not purchase for use at second home	____%	____%
k. Hardware	□ I do not purchase for use at second home	____%	____%

Convenience Services:

Spending category		**When at your second home, do you spend more, less, or the same as at your primary residence?**	**How much more or less do you spend?**
a. Restaurants	□ I do not purchase while at second home	❑ More ❑ Less ❑ Same	____%
b. Personal Services (haircare, nails, laundry services)	□ I do not purchase while at second home	❑ More ❑ Less ❑ Same	____%
c. Auto maintenance and repairs	□ I do not purchase while at second home	❑ More ❑ Less ❑ Same	____%
d. Entertainment / recreation	□ I do not purchase while at second home	❑ More ❑ Less ❑ Same	____%

How much did you spend ***on the following goods and services in the past year for your second home?***

Category		**How much did you spend in the past year <u>for your second home?</u>**	**Percentage spent in the International Falls area**
a. Furniture	□ I did not purchase for my second home	$ ________	____%
b. Lumber and building materials	□ I did not purchase for my second home	$ ________	____%
c. Construction or remodeling	□ I did not purchase for my second home	$ ________	____%
d. Appliances	□ I did not purchase for my second home	$ ________	____%

e. Home maintenance services (lawn care, septic, etc)	□ I did not purchase for my second home	$ ________	____%
f. Recreational vehicle (boat, ATV) purchase/ maintenance/storage	□ I did not purchase for my second home	$ ________	____%

Name two businesses or types of business you would most like to see come to the International Falls area: a. ____ b. ____

COMMUNITY CONNECTIONS & THE FUTURE (*Respond to the following statements*)

In my 2nd Home Community:	Strongly disagree	Disagree	Do not know	Agree	Strongly Agree
I would like to see more retail and commercial development.	❑	❑	❑	❑	❑
Additional residential development threatens the quality of life.	❑	❑	❑	❑	❑
I know many of my 2nd home neighbors.	❑	❑	❑	❑	❑
I feel strongly attached to my 2nd home property.	❑	❑	❑	❑	❑
I feel strongly attached to the community near my 2nd home.	❑	❑	❑	❑	❑

What do you feel is the single most important change or improvement needed to make life in your 2nd home community better? *(Describe one change or improvement)*

____

____

SURVEY RESPONDENT INFORMATION

How old are you? ____ years **Gender** ❑ Male ❑ Female

How many people live in your household? _________ **How many under 18 years of age?** __________

Education *(Check one)* ❑ Did not complete high school or GED ❑ High school diploma or GED
❑ Some college/no degree ❑ Associate's degree ❑ Bachelor's degree
❑ Professional/graduate degree

Employment Status *(Check one)* ❑ Employed ❑ Unemployed ❑ Retired

Household Income: *(Check one)*
❑ less than $14,999 ❑ $15,000 - $39,999 ❑ $40,000 - $69,999
❑ $70,000 - $99,999 ❑ $100,000 - $149,999 ❑ Over $150,000

COMMUNICATING
How would you prefer to learn about community events and issues (E.G., internet, newspaper, radio, mailing)? ____

APPENDIX 8: Business Owner Survey Instrument

CONTACT INFORMATION

Business Name ____

Business Owner(s) ______________________________ Contact: ________________

Email: ________________________ Website: ___________________________

ABOUT YOUR BUSINESS

1. What are the primary goods or services that your business provides? ________________________

2. How long has your business been in operation? (Check ONE, include time at this & any previous locations)

☐ under 1 year ☐ 1-5 years ☐ 6-10 years ☐ 11-20 years ☐ over 20 years

2a. How long have you been the owner of your business? (Check ONE)

☐ under 1 year ☐ 1-5 years ☐ 6-10 years ☐ 11-20 years ☐ over 20 years

3. Does your business own or lease the space in which it is located? ☐ Own ☐ Lease ☐ Lease, want to purchase

4. For your business, how many square feet are devoted to the following?
(The total should add up to the total square footage of the business)

a. ______ sq. ft. Sales Space
b. ______ sq. ft. Production Space
c. ______ sq. ft. Office Space
d. ______ sq. ft. Storage Space
e. ______ sq. ft. Unused Space
f. ______ sq. ft. Total Space

5. How satisfied are you with the present location of your business? (Check ONE)

☐ Very Satisfied ☐ Satisfied ☐ Neutral ☐ Unsatisfied ☐ Very Unsatisfied ☐ Plan to Move

Why? ____

6. Do you have plans to expand or reduce operations for your business in the foreseeable future? (Check ONE)

☐ I plan to expand products/services or square footage in the International Falls area
☐ I plan to expand products/services or square footage at a location outside of the International Falls area
☐ I plan to reduce products/services or square footage.
☐ I don't have any plans for changes.

7. Are you, or the building owner, considering any building improvement projects? ☐ Yes ☐ No ☐ Don't Know

8. Approximately what percentage of your sales come from the following customer groups?
(Total should = 100%)

a. ____% Local shoppers from International Falls area
b. ____% Canadian shoppers
c. ____% Seasonal Residents (second homeowners who own property in International Falls Area)
d. ____% Visitors or tourists
100 %

BUSINESS ENVIRONMENT

9. What is the toughest competition for your business? (Specify up to THREE competitors by name)

a. ____________________ b. ____________________ c. ____________________

10. What three nearby businesses complement or bring traffic to your business the most? (Specify THREE businesses by name)

a. ______________________ b. ______________________ c. ______________________

11. With your business in mind, what types of businesses would you most like to see in the International Falls area?

a. ____ b. ____

c. ____ d.____

12. Please rank the top three issues to improve the International Falls area as a place to shop: (Check ONE for each)

	Most Important (Please check one)	2nd Most Important (Please check one)	3rd Most Important (Please check one)
Goods and services available	☐	☐	☐
Aesthetics or 'look' of shopping area	☐	☐	☐
Public infrastructure (e.g. streets, lighting, signage)	☐	☐	☐
Public safety	☐	☐	☐
Customer service	☐	☐	☐
Quality of goods	☐	☐	☐
Cost of goods	☐	☐	☐
Hours of operation	☐	☐	☐
Other (specify____________________________)	☐	☐	☐

13. Please rate the degree to which you are experiencing the following business challenges? (Check ONE answer for each item)

	Major Challenge (-3)	Minor Challenge (-2)	Don't Know (-1)	No Challenge (0)
Conflict with building owner or tenant	☐	☐	☐	☐
Difficulty recruiting or retaining employees	☐	☐	☐	☐
Expensive or unavailable products	☐	☐	☐	☐
Expensive employee wages or benefits	☐	☐	☐	☐
Expensive rent	☐	☐	☐	☐
Expensive shipping or transportation	☐	☐	☐	☐
Insufficient financing	☐	☐	☐	☐
Insufficient parking	☐	☐	☐	☐
In-town competition	☐	☐	☐	☐
Out-of-town competition	☐	☐	☐	☐
Poor building condition	☐	☐	☐	☐
Restrictive business regulations	☐	☐	☐	☐
Shoplifting or theft	☐	☐	☐	☐
Unskilled workers	☐	☐	☐	☐
Vandalism	☐	☐	☐	☐
Other ______________________________	☐	☐	☐	☐

14. What advice would you give to improve commercial districts in the International Falls area?